

IMPORTANT NOTICE

THIS OFFERING MEMORANDUM IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR (2) PURCHASING THE NOTES DESCRIBED IN THIS OFFERING MEMORANDUM OUTSIDE OF THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (“EEA”), A QUALIFIED INVESTOR).

IMPORTANT: You must read the following before continuing. The following applies to the attached offering memorandum (the “Offering Memorandum”) following this notice, whether received by email or otherwise received as a result of electronic communication. You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS OF OTHER JURISDICTIONS.

THE FOLLOWING OFFERING MEMORANDUM WILL BE ACCESSIBLE IN ELECTRONIC FORMAT AND YOU ACKNOWLEDGE THAT YOU RECEIVED THE OFFERING MEMORANDUM IN A FORM THAT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the securities described in the Offering Memorandum, investors must be either (1) QIBs within the meaning of Rule 144A under the U.S. Securities Act or (2) persons who are outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act; *provided that* investors resident in a Member State of the EEA must be a qualified investor (within the meaning of Article 2(1) of Regulation (EU) 2017/1129). The Offering Memorandum is being sent at your request. By accepting this email and by accessing the Offering Memorandum, you shall be deemed to have represented to us and the initial purchasers set forth in the attached Offering Memorandum (collectively, the “Initial Purchasers”) that:

- (1) you acknowledge that you are receiving such Offering Memorandum in electronic format; and
- (2) you or the customers you represent are:
 - (a) QIBs; or
 - (b) outside the United States and that the electronic mail address that you gave us and to which the Offering Memorandum has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia (and if you are resident in a Member State of the EEA, you are a qualified investor).

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Memorandum to any other person.

Under no circumstances shall the Offering Memorandum constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Initial Purchasers (as defined herein) or any affiliate of the Initial Purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Initial Purchasers or such affiliate on behalf of the Issuer in such jurisdiction.

The Offering Memorandum has not been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”) by an authorized person under FSMA. In the United Kingdom, the attached Offering Memorandum and any other material in relation to the securities described therein are being distributed only to, and are directed only at, persons who are “qualified investors” (as defined in Article 2 of the UK Prospectus Regulation) who are (i) persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”), or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Financial Promotion Order, or (iii) persons to whom it would otherwise be lawful to distribute them, all such persons together being referred to as “Relevant Persons.” The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, Relevant Persons. The Offering Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by any recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a Relevant Person should not act or rely on the Offering Memorandum or its contents. The expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 (the “Prospectus Regulation”) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”).

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer (as defined herein). Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the securities has led to the conclusion that: (i) the target market for the securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the securities (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the securities (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

The Temporary Notes and the Additional Notes described in the Offering Memorandum are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the securities described in the Offering Memorandum or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the securities described in the Offering Memorandum or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. The Offering Memorandum has been prepared on the basis that any offer of the Notes in any Member State will be made pursuant to an exemption under Prospectus Regulation from the requirement to publish a prospectus for offers of the Temporary and the Additional Notes. The Offering Memorandum is not a prospectus for the purposes of the Prospectus Regulation.

The Temporary and the Additional Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Temporary and the Additional Notes or otherwise making them available to retail investors in the UK has been prepared and

therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Offering Memorandum has been addressed to you in an electronic form. You are reminded that documents transmitted electronically may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, any person who controls any Initial Purchaser, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum accessed by you in electronic format and any version that will be provided to you at a later date.

Assemblin

Assemblin Financing AB (publ)

(incorporated under the laws of Sweden)

€100,000,000 Senior Secured Floating Rate Notes due 2025

Assemblin Financing AB (publ), a registered Swedish public limited liability company (*publikt aktiebolag*) (the “Issuer”), is offering €100.0 million aggregate principal amount of its temporary Senior Secured Floating Rate Notes due 2025 (the “Temporary Notes”). The Temporary Notes will be issued by the Issuer under a temporary indenture (the “Temporary Indenture”), dated as of February 11, 2021 (the “Issue Date”) entered into by, among others, the Issuer and the Temporary Trustee (as defined herein). On or about the date of the completion of the Fidelix Acquisition (as defined herein) (the “Completion Date”), the Temporary Notes will be automatically exchanged for an equal aggregate principal amount of Senior Secured Floating Rate Notes due 2025 (the “Additional Notes”) (such exchange, the “Temporary Notes Exchange”). The Additional Notes will be issued as additional notes under the indenture dated December 6, 2019 entered into by, among others, the Issuer, the Guarantors (as defined herein) and the Trustee (as defined herein) pursuant to which the Issuer issued €250.0 million aggregate principal amount of Senior Secured Floating Rate Notes (the “Original Notes”). The Temporary Notes will have the same terms as the Original Notes, except as described herein. The Temporary Notes will trade separately from the Original Notes, will have different ISIN/common code numbers than the Original Notes and will not be fungible with the Original Notes. The Additional Notes will have the same terms as the Original Notes and will be treated as a single class together with the Original Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. After giving effect to the issuance of the Additional Notes, the aggregate principal amount of Notes outstanding under the Indenture will be €350.0 million. The Temporary Notes, the Additional Notes and the Original Notes are referred to collectively in this offering memorandum as the “Notes” unless indicated otherwise. The Issuer will pay interest on the Notes at a per annum rate equal to three-month EURIBOR (with a floor of 0%) plus 5%, reset quarterly. Interest on the Temporary Notes and the Additional Notes will accrue from December 15, 2020, and will be payable quarterly in arrear on each March 15, June 15, September 15 and December 15, commencing on March 15, 2021. The Notes will mature on May 15, 2025. The Issuer is entitled at its option to redeem all or a portion of the Notes at the applicable redemption prices set forth under the heading “*Description of the Notes—Optional Redemption*” plus accrued and unpaid interest to, but excluding, the redemption date.

In addition, the Issuer may redeem all, but not part, of the Notes at a price equal to 100% of the principal amount thereof (including accrued and unpaid interest and Additional Amounts, if any) upon the occurrence of certain changes in applicable tax law. Upon the occurrence of certain defined events constituting a change of control, each holder of the Notes may require the Issuer to repurchase all or a portion of its Notes at a price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any.

Pending the consummation of the Fidelix Acquisition, the Initial Purchasers (as defined herein) will, concurrently with the issuance of the Temporary Notes on the Issue Date, deposit with the Escrow Agent (as defined herein) an amount equal to the gross proceeds of the Offering sold on the Issue Date into the Escrow Account (as defined herein). The Escrow Account will be controlled by the Escrow Agent. The Escrow Account, together with the Escrowed Property (as defined herein), will be pledged on a first-priority basis in favor of the Temporary Trustee or the Security Agent for the benefit of the holders of the Temporary Notes, pursuant to the Escrow Account Charge (as defined herein). The release of escrow proceeds will be subject to the satisfaction of certain conditions. If the release does not take place on or prior to the Escrow Longstop Date (as defined herein), or upon the occurrence of certain other events, the Temporary Notes will be subject to a Special Mandatory Redemption (as defined herein) at a price equal to 100% of the aggregate issue price of the Temporary Notes, plus accrued and unpaid interest, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date (as defined herein). See “*Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption*.”

The Original Notes are, and the Temporary Notes and the Additional Notes will be, senior secured obligations of the Issuer, and the Original Notes rank, and the Temporary Notes and Additional Notes will rank, senior in right of payment to all of the Issuer’s future debt that is expressly subordinated in right of payment to the Notes and will rank *pari passu* in right of payment with the Issuer’s existing and future debt that is not so subordinated, including the Issuer’s obligations under the Super Senior Facilities (as defined herein). The Temporary Notes will not be guaranteed. To secure the payment of the Special Mandatory Redemption Price, on the Issue Date, the obligations of the Issuer pursuant to the Temporary Notes will be secured by a first-priority security interest over the Escrow Account pursuant to the Escrow Charge. The obligations of the Issuer pursuant to the Original Notes are, and upon the Temporary Notes Exchange, the obligations of the Issuer pursuant to the Additional Notes will be, guaranteed, jointly and severally on a senior basis, by each subsidiary of the Issuer that is a guarantor under the Super Senior Facilities. The Notes Guarantees (as defined herein) will rank senior in right of payment to the respective Guarantor’s future debt that is expressly subordinated in right of payment to such Notes Guarantee and will rank *pari passu* in right of payment with the respective Guarantor’s existing and future debt that is not so subordinated, including such Guarantor’s obligations under the Super Senior Facilities. The Original Notes are, and upon the Temporary Notes Exchange, the Additional Notes will be, secured by a first-priority security interest in the same assets that secure the Issuer’s and Guarantors’ obligations under the Super Senior Facilities, subject to certain agreed security principles and agreed exceptions. The Original Notes are, and upon the Temporary Notes Exchange, the Additional Notes will be, secured by the Completion Date Collateral (as defined herein). Within 60 business days of the Completion Date, the Original Notes and the Additional Notes will be secured by the Post-Completion Date Collateral (as defined herein). Under the terms of the Intercreditor Agreement, in the event of enforcement of the security interests over the Collateral (as defined herein) and certain distressed disposals, holders of Original Notes and Additional Notes will receive proceeds from the Collateral only after the Super Senior Facilities, certain hedging obligations and certain other indebtedness permitted to be incurred on a priority basis under the Indenture, if any, have been repaid in full. The validity, enforceability and, in respect of the security interests over the Collateral, priority and ranking of the Notes Guarantees and the security interests and the liability of the Guarantors, are subject to the limitations described in “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*.” The Temporary Notes will be structurally subordinated to the liabilities of all of our subsidiaries, and the Additional Notes will be structurally subordinated to all obligations of the Issuer’s subsidiaries that do not guarantee the Additional Notes and effectively subordinated to any existing and future debt of the Issuer and the Guarantors that is secured by property or assets that do not secure the Additional Notes, to the extent of the value of such property and assets.

The Original Notes have been admitted to listing on the Official List of The International Stock Exchange (the “Exchange”). There is currently no market for the Temporary Notes or the Additional Notes. Application will be made to The International Stock Exchange Authority Limited (the “Authority”) for the listing of and permission to deal in the Temporary Notes and the Additional Notes on the Official List of the Exchange. There can be no assurance, however, that the Temporary Notes or the Additional Notes will be listed on the Official List of the Exchange, that such permission to deal in the Temporary Notes or the Additional Notes will be granted or that such listing will be maintained. The Exchange is not a regulated market pursuant to the provisions of Directive 2004/39/EC on markets in financial instruments, as amended, or Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This offering memorandum may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent.

Investing in the Notes involves a high degree of risk. See “*Risk Factors*” beginning on page 36.

Issue price of the Temporary Notes: 100.000% plus accrued interest, if any, from December 15, 2020 to, but excluding, the Issue Date

The Notes and the Notes Guarantees have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the laws of any other jurisdiction. Accordingly, the Temporary Notes, the Additional Notes and the Notes Guarantees may not be offered or sold within the United States, except to qualified institutional buyers in reliance on the exemption from registration provided by Rule 144A under the Securities Act (“Rule 144A”) and to certain persons outside the United States in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”). You are hereby notified that sellers of the Temporary Notes, the Additional Notes and the Notes Guarantees may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. See “*Notice to Certain Investors*” and “*Transfer Restrictions*” for additional information about eligible offerees and transfer restrictions.

The Temporary Notes and the Additional Notes will be in registered form in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof. The Temporary Notes and the Additional Notes will be represented on issue by global notes, which will be delivered in book-entry form through Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”) on or about the Issue Date (in the case of the Temporary Notes) and on or about the Completion Date (in the case of the Additional Notes). Interests in each global note will be exchangeable for the relevant definitive notes only in certain limited circumstances. See “*Book-Entry, Delivery and Form*.”

Joint Active Book-Running Lead Managers

Deutsche Bank

Nordea Bank Abp

The date of this offering memorandum is January 28, 2021.

Offering Memorandum

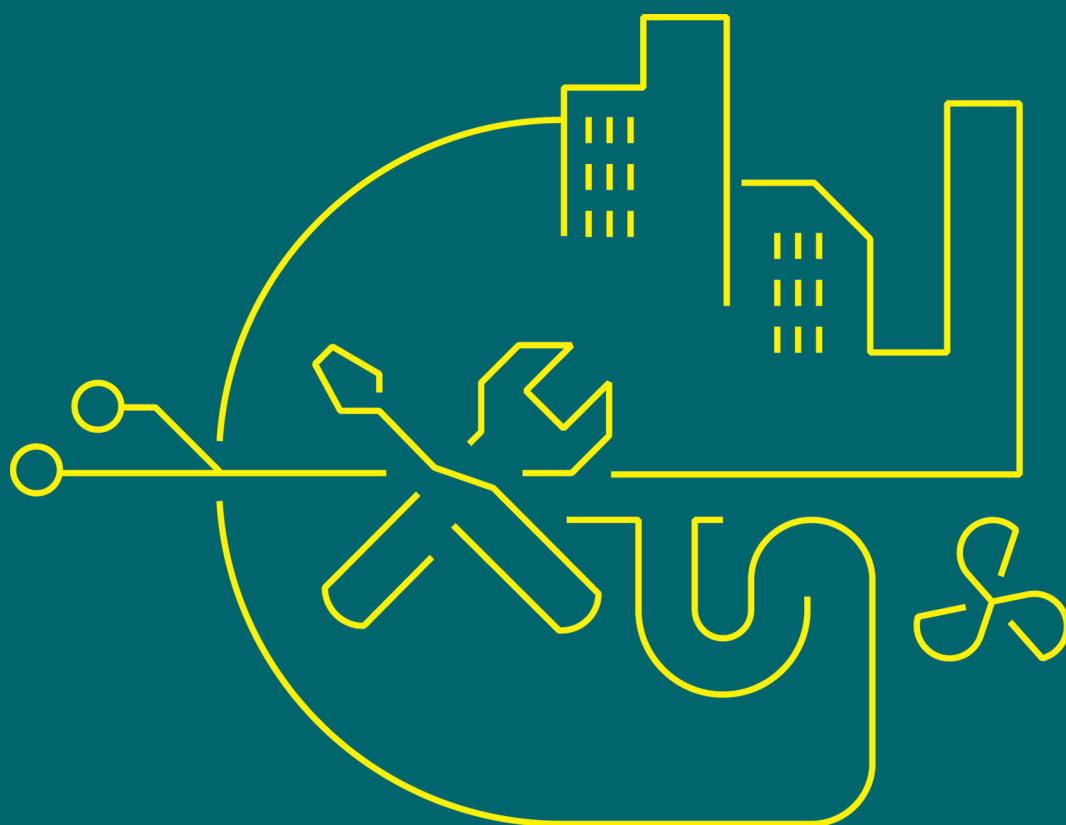


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IMPORTANT INFORMATION ABOUT THIS OFFERING MEMORANDUM

This Offering is being made on the basis of this offering memorandum only. Any decision to purchase Notes in the Offering must be based on the information contained in this offering memorandum. None of the Issuer, the Guarantors or the initial purchasers of the Notes listed on the cover page (together, the “Initial Purchasers”) have authorized anyone to provide you with any information or represent anything about the Issuer, the Target’s financial results or this Offering that is not contained in this offering memorandum. If given or made, any such other information or representation should not be relied upon as having been authorized by the Issuer, the Guarantors or any of the Initial Purchasers. Neither the Issuer nor any of the Initial Purchasers are making an offering of the Temporary Notes or the Additional Notes in any jurisdiction where the Offering is not permitted. You should not assume that the information contained in this offering memorandum is accurate as of any date other than the date on the front of this offering memorandum.

This offering memorandum is confidential and has been prepared by the Issuer solely for use in connection with the Offering. This offering memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Temporary Notes or Additional Notes. Distribution of this offering memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to the purchase of Temporary Notes or Additional Notes is unauthorized, and any disclosure of any of the contents of this offering memorandum, without the prior written consent of the Issuer, is prohibited. Each prospective investor, by accepting delivery of this offering memorandum, agrees to the foregoing and to make no photocopies of this offering memorandum or any documents referred to in this offering memorandum.

THE NOTES (AND THE NOTES GUARANTEES) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT, AND ACCORDINGLY THE TEMPORARY NOTES AND THE ADDITIONAL NOTES (AND THE NOTES GUARANTEES) MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES UNLESS THE TEMPORARY NOTES AND THE ADDITIONAL NOTES (AND THE NOTES GUARANTEES), AS APPLICABLE, ARE REGISTERED UNDER THE SECURITIES ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE. SEE “*PLAN OF DISTRIBUTION*” AND “*TRANSFER RESTRICTIONS*.” INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF ANY SECURITY MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A UNDER THE SECURITIES ACT.

None of the Initial Purchasers, nor any employee or affiliate of any Initial Purchaser, has authorized the contents or circulation of this offering memorandum and the Initial Purchasers, their employees and affiliates do not assume any responsibility for, and will not accept any liability for, any loss suffered as a result of, arising out of or in connection with this document or any of the information or opinions contained in it.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this offering memorandum and, if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer, any of their respective affiliates or any of the Initial Purchasers. This offering memorandum does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. The information contained in this offering memorandum is as of the date hereof. Neither the delivery of this offering memorandum nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date of this offering memorandum or that the information contained in this offering memorandum is correct as of any time subsequent to that date.

The information contained in this offering memorandum has been furnished by the Issuer and other sources believed by the Issuer to be reliable. This offering memorandum contains summaries, believed to be accurate, of some of the terms of specific documents, but reference is made to the actual documents, copies of which will be made available upon request, for the complete information contained in those documents. By receiving this offering memorandum, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in this offering memorandum. Investors also acknowledge that they have not relied on the Initial Purchasers in connection with their investigation of the accuracy of this information or their decision to invest in the Temporary Notes or the Additional Notes. The contents of this offering memorandum are not to be

considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountants and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the Temporary Notes or the Additional Notes. In making an investment decision, investors must rely on their own examination of the Issuer and its affiliates, the terms of the offering of any of the Temporary Notes or the Additional Notes, and the merits and risks involved.

In addition, for so long as the Temporary Notes or the Additional Notes are listed on the Official List of the Exchange and the rules and regulations of the Authority so require, the Issuer will also provide a copy of the foregoing information and reports to the Exchange. Furthermore, for so long as any of the Temporary Notes or the Additional Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which the Issuer is neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), nor exempt from such reporting requirements under Rule 12g3-2(b) of the Exchange Act, as amended, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the Issuer.

This Offering is being made in reliance upon exemptions from registration under the Securities Act for an offer and sale of securities that does not involve a public offering. The Temporary Notes, which will be automatically exchanged for the Additional Notes on or about the Completion Date, and the Notes Guarantees have not been registered with, recommended by or approved by the U.S. Securities and Exchange Commission or any other United States federal, state or foreign securities commission or regulatory authority, nor has any such commission or regulatory authority reviewed or passed upon the accuracy or adequacy of this offering memorandum. Any representation to the contrary is a criminal offense.

The Initial Purchasers reserve the right to withdraw this Offering at any time and to reject any commitment to subscribe for the Temporary Notes, in whole or in part. The Initial Purchasers also reserve the right to allot less than the full amount of Temporary Notes sought by investors. The Initial Purchasers and certain related entities may acquire a portion of the Temporary Notes or the Additional Notes for their own account. Persons into whose possession this offering memorandum or any of the Temporary Notes or the Additional Notes come must inform themselves about, and observe any restrictions on, the transfer and exchange of the Temporary Notes and the Additional Notes. See “*Plan of Distribution*” and “*Transfer Restrictions*.”

The laws of certain jurisdictions may restrict the distribution of this offering memorandum and the offer and sale of the Temporary Notes (including the exchange thereof into Additional Notes on or about the Completion Date). Persons into whose possession this offering memorandum or any of the Temporary Notes or the Additional Notes come must inform themselves about, and observe any such restrictions. None of the Issuer, the Guarantors, the Initial Purchasers, the Temporary Trustee, the Trustee, the Security Agent or the other agents or their respective representatives is making any representation to any offeree or any purchaser of the Temporary Notes or the Additional Notes regarding the legality of any investment in the Temporary Notes or the Additional Notes by such offeree or purchaser under applicable investment or similar laws or regulations. For a further description of certain restrictions on the offering and sale of the Additional Notes and the distribution of this offering memorandum, see “*Notice to Certain Investors*” and “*Transfer Restrictions*.”

To purchase any of the Temporary Notes or the Additional Notes, investors must comply with all applicable laws and regulations in force in any jurisdiction in which investors purchase, offer or sell any Temporary Notes or Additional Notes or possess or distribute this offering memorandum. Investors must also obtain any consent, approval or permission required by such jurisdiction for investors to purchase, offer or sell any of the Temporary Notes or the Additional Notes under the laws and regulations in force in any jurisdiction to which investors are subject. None of the Issuer, its affiliates or the Initial Purchasers will have any responsibility therefor.

No action has been taken by the Initial Purchasers, the Issuer or any other person that would permit an offering of any of the Temporary Notes or the Additional Notes or the circulation or distribution of this offering memorandum or any offering materials in relation to the Issuer or their respective affiliates, or any of the Temporary Notes or the Additional Notes, in any country or jurisdiction where action for that purpose is required.

The Temporary Notes and the Additional Notes will be issued in fully registered form and will be issued in denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Temporary Notes sold within the United States to “qualified institutional buyers” in reliance on Rule 144A (“Rule 144A Temporary Notes”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “Rule 144A Temporary Global Notes”). Temporary Notes sold outside the United States in reliance on Regulation S under the Securities Act (“Regulation S Temporary Notes”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Temporary Global Notes” and, together with the Rule 144A Temporary Global Notes, the “Temporary Global Notes”). On the Issue Date, the Temporary Global Notes will be deposited with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream. Additional Notes issued in exchange for the Rule 144A Temporary Notes on or about the Completion Date (“Rule 144A Additional Notes”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “Rule 144A Additional Global Notes”). Additional Notes issued in exchange for the Regulation S Temporary Notes on or about the Completion Date (“Regulation S Additional Notes”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Additional Global Notes” and, together with the Rule 144A Additional Global Notes, the “Additional Global Notes”). On or about the Completion Date, the Additional Global Notes will be deposited with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream. See “*Book-Entry, Delivery and Form.*”

The Issuer accepts responsibility for the information contained in this offering memorandum. The Issuer and the Guarantors have made all reasonable inquiries and confirmed to the best of its knowledge, information and belief that the information contained in this offering memorandum with regard to itself, its affiliates, the Temporary Notes and the Additional Notes is true and accurate in all material respects, that the opinions and intentions expressed in this offering memorandum are honestly held, and neither the Issuer nor the Guarantors are aware of any facts the omission of which would make this offering memorandum or any statement contained herein misleading in any material respect. The Issuer accepts responsibility accordingly.

The information contained under the headings “*Summary,*” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations,*” “*Industry*” and “*Business*” includes extracts from information and data, including industry and market data, released by publicly available sources in Europe and elsewhere. While the Issuer accepts responsibility for the accurate extraction and summarization of such information and data, the Issuer has not independently verified the accuracy of such information and data and accepts no further responsibility in respect thereof. However, as far as the Issuer or the Guarantors are aware, no information or data has been omitted which would render reproduced information inaccurate or misleading. The information set forth in relation to sections of this offering memorandum describing clearing and settlement arrangements, including the section entitled “*Book-Entry, Delivery and Form,*” is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream currently in effect. The Issuer accepts responsibility for accurately summarizing the information concerning Euroclear and Clearstream, but the Issuer accepts no further responsibility in respect of such information.

The Initial Purchasers make no representation or warranty, express or implied, as to, and assume no responsibility for, the accuracy or completeness of the information contained in this offering memorandum. Nothing contained in this offering memorandum is, or shall be relied upon as, a promise or representation by the Initial Purchasers as to the past or the future. The Issuer and the Guarantors have furnished the information contained in this offering memorandum.

None of the Temporary Trustee, the Trustee, the Security Agent, the Paying Agent, the Transfer Agent or the Registrar (each as defined herein) is responsible for the contents of this offering memorandum or expresses any opinion as to the merits of the Temporary Notes or the Additional Notes under this offering memorandum.

The Issuer intends to list the Temporary Notes and the Additional Notes on the Official List of the Exchange, and will submit this offering memorandum to the competent authority in connection with the listing application. In the course of any review by the competent authority, the Issuer may be requested to make changes to the financial and other information included in this offering memorandum. Comments by the competent authority may require significant modification or reformulation of information contained in this offering memorandum or may require the inclusion of additional information, including financial information in respect of the Guarantors. The Issuer may also be required to update the information in this offering memorandum to reflect changes in its business, financial condition or results of operations and prospects.

The Issuer cannot guarantee that its application for the listing of the Temporary Notes or the Additional Notes on the Official List of the Exchange will be approved as of the Issue Date, for the Temporary Notes, upon the

Temporary Notes Exchange, for the Additional Notes, or at any time thereafter, and settlement of the Temporary Notes and the Temporary Notes Exchange are not conditioned on obtaining this listing.

Investing in the Temporary Notes and the Additional Notes involves risks. See “*Risk Factors*.” It should be remembered that the price of securities and the income from them can go down as well as up.

STABILIZATION

IN CONNECTION WITH THIS OFFERING, DEUTSCHE BANK AKTIENGESELLSCHAFT (THE “STABILIZING MANAGER”) (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY OVER ALLOT TEMPORARY NOTES OR ADDITIONAL NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE TEMPORARY NOTES OR THE ADDITIONAL NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE CAN BE NO ASSURANCE THAT THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) WILL UNDERTAKE STABILIZATION ACTION. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME AND, IF BEGUN, MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. ANY STABILIZATION ACTION OR OVER ALLOTMENT MUST BE CONDUCTED BY THE STABILIZING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO CERTAIN INVESTORS

United States

The Temporary Notes (and the Additional Notes into which the Temporary Notes will be exchanged on or about the Completion Date) will be sold outside the United States pursuant to Regulation S and within the United States to qualified institutional buyers pursuant to Rule 144A. The Notes and the Notes Guarantees have not been and will not be registered under the Securities Act, and accordingly the Temporary Notes, the Additional Notes and the Notes Guarantees may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See “*Transfer Restrictions*.”

NOTICE TO CERTAIN EUROPEAN INVESTORS

PRIIPs Regulation/Prohibition of Sales to EEA Retail Investors. The Temporary and the Additional Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2016/97/EU (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Temporary and the Additional Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Temporary and the Additional Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. This offering memorandum has been prepared on the basis that any offer of Temporary and the Additional Notes in any Member State of the EEA will be made pursuant to an exemption under Regulation (EU) 2017/1129 (the “Prospectus Regulation”) from the requirement to publish a prospectus for offers of Temporary and the Additional Notes. This offering memorandum is not a prospectus for the purposes of the Prospectus Regulation.

MiFID II Product Governance/Professional Investors and ECPs Only Target Market. Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Temporary and the Additional Notes, has led to the conclusion that: (i) the target market for the Temporary and the Additional Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Temporary and the Additional Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Temporary and the Additional Notes (a “distributor”) should take into consideration each manufacturer’s target market

assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Temporary and the Additional Notes (by either adopting or refining each manufacturer's target market assessment) and determining appropriate distribution channels.

United Kingdom

Prohibition of Sales to UK Retail Investors. The Temporary and the Additional Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Temporary and the Additional Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR Product Governance / Professional Investors and ECPs Only Target Market. Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Temporary and the Additional Notes has led to the conclusion that: (i) the target market for the Temporary and the Additional Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of the Temporary and the Additional Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Temporary and the Additional Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Temporary and the Additional Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

This offering memorandum is being distributed only to, and is directed at (a) persons who are outside the United Kingdom, (b) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (c) high net worth entities falling within Article 49(2) of the Order or (d) persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) in connection with the issue or sale of any Temporary or Additional Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). In addition, this communication is, in any event only directed at persons who are "qualified investors" pursuant to the Prospectus Regulation as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation"). Any person who is not a relevant person should not act or rely on this document or any of its contents. Persons into whose possession this offering memorandum may come are required by the Issuer and the Initial Purchasers to inform themselves about and to observe such restrictions. This offering memorandum does not constitute a prospectus for the purposes of the UK Prospectus Regulation and is therefore not an approved prospectus for the purposes of, and as defined by, the UK Prospectus Regulation (or Section 85 of the FSMA) and has not been approved by the Financial Conduct Authority or any other competent authority.

Sweden

This offering memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Prospectus Regulation. Neither the Swedish Financial Supervisory Authority (*Finansinspektionen*) nor any other Swedish public body has examined, approved or registered this offering memorandum or will examine, approve or register this offering memorandum. Accordingly, this offering memorandum may not be made available, nor may the Temporary or the Additional Notes otherwise be marketed and offered for sale, in Sweden other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Prospectus Regulation.

Finland

This offering memorandum does not constitute a public offer or an advertisement of securities to the public in the Republic of Finland. The Temporary or the Additional Notes will not and may not be offered, sold, advertised or otherwise marketed in Finland under circumstances that would constitute a public offering of securities under Finnish or EU law. Any offer or sale of the Temporary or the Additional Notes in Finland will be made pursuant to a private placement exemption as defined under the Prospectus Regulation and any regulation made thereunder, as supplemented and amended from time to time. This offering memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements under the Prospectus Regulation. This offering memorandum has not been filed with or approved by the Finnish Financial Supervisory Authority.

Norway

This offering memorandum is not a prospectus and has not been prepared in accordance with the prospectus requirements provided for in the Norwegian Securities Trading Act of 29 June 2007 no. 75, as amended, nor any other Norwegian enactment or related secondary legislation, including the Prospectus Regulation. Neither the Norwegian Financial Supervisory Authority (*Finanstilsynet*) nor any other Norwegian public body has examined, approved or registered this offering memorandum or will examine, approve or register this offering memorandum. Accordingly, this offering memorandum may not be made available, nor may the Temporary or the Additional Notes otherwise be marketed and offered for sale, in Norway other than in circumstances that constitute an exemption from the requirement to prepare a prospectus under the Prospectus Regulation and the Norwegian Securities Trading Act of 2007.

PRESENTATION OF FINANCIAL AND OTHER DATA

The Group

The “Group,” “Assemblin,” “we” or “us” refers to the group of entities comprising Assemblin Financing AB (publ), and all of its consolidated subsidiaries.

Financial Statements

This offering memorandum includes unaudited condensed interim financial statements of the Group (as defined below) as of and for the nine months ended September 30, 2020 (the “Unaudited Condensed Interim Financial Statements”) and audited combined financial statements of the Group for the financial years 2017, 2018 and 2019 (the “Audited Combined Financial Statements” and, together with the Unaudited Condensed Interim Financial Statements, the “Financial Statements”).

The Financial Statements have been prepared as combined financial statements. The preparation of combined financial statements is a way of illustrating financial information for a group of entities that are not a legal group but are ultimately owned by the same party. The Financial Statements represent the group of entities comprising the Group. The formation of the Assemblin Financing AB (publ) group of companies comprised transactions between entities that were under common control. The Issuer entered into a share purchase agreement dated November 25, 2019 relating to the sale and purchase of all outstanding shares in Assemblin Holding AB between its parent company, Midco, as seller, and the Issuer, as buyer. This acquisition was completed on or about the issue date of the Original Notes, which was December 6, 2019. Since these transactions are not covered by any IFRS standard, the Group has used the historical financial information of the entities included in the combined reporting entity when preparing the Financial Statements. All intra-group transactions between legal entities within the reporting entity have been eliminated. As a result, the combined financial statements represent the economic activities of the reporting entity that will be formed after the transaction.

IFRS does not specifically address the preparation of combined financial statements. The term “combined financial statements” refers to financial information prepared by aggregating financial information for entities under common control that do not meet the definition of a group according to IFRS 10. All entities in the Financial Statements are under common control via ownership by Midco. A complete register of the entities that constitute the Group is presented in Note 29 to the Audited Combined Financial Statements.

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. Further, the Swedish Financial Reporting Board’s recommendation, RFR 1 Supplementary Accounting Rules for Corporate Groups, has been applied. The Financial Statements were approved for issue by the Board of Directors on January 19, 2021. The Financial Statements appear in the F-pages of this offering memorandum and should be read in conjunction with the relevant reports of our independent auditor as such reports relate to the Audited Combined Financial Statements.

Information is provided in this offering memorandum for the last twelve months ended September 30, 2020 (“the twelve months ended September 30, 2020” or “LTM”). The unaudited combined statement of comprehensive income information and the other financial information presented as of and for the twelve months ended September 30, 2019 have been derived by subtracting from the financial information of the audited combined financial statements as of and for the year ended December 31, 2019 the comparative financial information of the unaudited condensed interim financial statements as of and for the nine months ended September 30, 2019, and adding the financial information of the unaudited condensed interim financial statements as of and for the nine months ended September 30, 2020. The unaudited condensed statement of profit and loss and the other financial information presented for the twelve months ended September 30, 2020 have been prepared for illustrative purposes only and are not necessarily representative of our results of operations for any future period or our financial condition at any future date. This data has been prepared solely for the purpose of this offering memorandum and is not prepared in the ordinary course of our financial reporting.

From January 1, 2019, we apply IFRS 16 Leases which has an impact on our reported statements of profit or loss, financial position and presentation of cash flow. In implementing IFRS 16, we selected the modified retrospective approach as the transition method. As a result, the Unaudited Condensed Interim Financial Statements and the 2019 financial information contained in the Audited Combined Financial Statements are prepared after implementing IFRS 16, and the 2018 and 2017 financial information contained in the Audited Combined Financial Statements is prepared prior to the implementation of IFRS 16. The comparison figures for 2018 and earlier periods have not been restated, and are thus not directly comparable where there are differences caused by the implementation of IFRS 16. See Note 1 to the Audited Combined Financial Statements.

The financial information included in this offering memorandum is not intended to comply with the applicable accounting requirements of the Securities Act and the related rules and regulations of the SEC which would apply if the Temporary Notes or the Additional Notes were being registered with the SEC.

The information included in this offering memorandum was not prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”). There could be significant differences between IFRS, as applied by us, and U.S. GAAP. We neither describe the differences between IFRS and U.S. GAAP nor reconcile our IFRS financial statements to U.S. GAAP. Accordingly, such information is not available to investors, and investors should consider this in making their investment decision. The financial information included in this offering memorandum would require the modification, reformulation or exclusion of certain financial measures. In addition, changes would be required in the presentation of certain other information.

Non-IFRS Measures

We have included certain non-IFRS financial measures in this offering memorandum, including EBITA, EBITDA, Adjusted EBITA, Adjusted EBITDA and Pro Forma Adjusted EBITDA, and certain financial ratios.

Under our presentation:

- “Adjusted EBITA” means EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets), which are categorized as acquisition, integration and start-up costs, restructuring costs, transformation costs and other items affecting comparability, as described under “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations.*” Adjusted EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations.
- “Adjusted EBITDA” means Adjusted EBITA before depreciation of property, plant and equipment and right-of-use assets, and after certain lease accounting adjustments to exclude the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020.
- “Adjusted EBITA Margin” and “Adjusted EBITDA Margin” mean Adjusted EBITA and Adjusted EBITDA, respectively, divided by net revenue for the period, expressed as a percentage.
- “Cash Conversion” means Free Cash Flow divided by Adjusted EBITDA.
- “Changes in Net Working Capital” means the sum of the increase or decrease in inventories, the increase or decrease in net work in progress, the increase or decrease in total trade receivables, the increase or decrease in reserve for bad debt, the increase or decrease in other receivables, the increase or decrease in trade payables and the increase or decrease in other payables for the relevant period.
- “EBITA” means profit for the year/period excluding tax, net financial items and amortization of intangible assets. EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations.
- “EBITA Margin” means EBITA divided by net revenue for the period, expressed as a percentage.
- “Free Cash Flow” means Adjusted EBITDA, less the sum of Changes in Net Working Capital and Net Capital Expenditures for the period.
- “Net Capital Expenditures” means investments in intangible and tangible fixed assets, less the sales value (cash proceeds) of tangible and intangible fixed assets for the period, and including net leasing expenditures related to vehicles, which primarily relate to our car fleet, and after certain lease accounting adjustments to exclude the impact of IFRS 16 on the combined financial information for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020.
- “Net Working Capital” means the sum of inventories, net work in progress, total trade receivables, reserve for bad debt, other receivables, trade payables and other payables for the relevant period.
- “Order backlog” means the remaining revenue expected to be recognized from ongoing projects subject to existing contractual commitments as of the end of the relevant period.
- “Order intake” means the revenue expected to be recognized on projects from (i) new contractual commitments entered into during the relevant period, plus (ii) changes during the relevant period to existing contractual commitments entered into during prior periods.

- “Pro Forma Adjusted EBITDA” means Adjusted EBITDA further adjusted to reflect the pro forma EBITDA contribution of the Fidelix Acquisition, certain other acquisitions that were not consolidated for the full twelve months ended September 30, 2020 and operational cost savings initiatives that were completed by December 31, 2019.

We present EBITA, Adjusted EBITA, EBITDA, Adjusted EBITDA and Pro Forma Adjusted EBITDA and other non-IFRS measures referred to above because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

The foregoing measures have limitations as analytical tools. Some of these limitations are:

- they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- they do not reflect changes in, or cash requirements for, our working capital needs;
- with the exception of net interest expense, they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on our debt;
- although depreciation and amortization are non-monetary charges, the assets being depreciated and amortized will often need to be replaced in the future and EBITDA, Adjusted EBITDA, Pro Forma Adjusted EBITDA and similar non-IFRS financial measures do not reflect any cash requirements that would be required for such replacements;
- some of the large and unusual expenses we eliminate in calculating EBITA, EBITDA, Adjusted EBITA, Adjusted EBITDA, Pro Forma Adjusted EBITDA and similar non-IFRS financial measures reflect cash payments that were made, or will be made in the future; and
- the fact that other companies in our industry may calculate EBITA, EBITDA, Adjusted EBITA, Adjusted EBITDA, Pro Forma Adjusted EBITDA and similar non-IFRS financial measures differently than we do, which limits their usefulness as comparative measures.

We present EBITA, Adjusted EBITA, Adjusted EBITDA and Pro Forma Adjusted EBITDA as we believe they will be useful to investors and analysts in reviewing our performance and comparing our results to other operators. However, neither EBITA, Adjusted EBITA, Adjusted EBITDA and Pro Forma Adjusted EBITDA are IFRS measures and you are encouraged to evaluate any adjustments to IFRS measures yourself and the reasons we consider them appropriate for supplemental analysis. You should not consider EBITA, Adjusted EBITA, Adjusted EBITDA or Pro Forma Adjusted EBITDA (a) as an alternative to operating profit/(loss) as a measure of our operating performance; (b) as an alternative to cashflow from operating and investment activities as a measure of our ability to meet cash needs; or (c) as an alternative to any other measure of performance under IFRS. Because of these limitations, as well as further limitations discussed above, the non-IFRS measures presented should not be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS. We compensate for these limitations by relying primarily on our results in accordance with IFRS and using non-IFRS measures only supplementally.

Financial data for the Guarantors

This offering memorandum contains certain financial data with respect to revenues, EBITDA and assets of the Guarantors, including as a percentage of the aggregate net revenue, EBITDA and total assets of the Group (as derived from our Financial Statements and defined above). This information has been derived from accounting statements for the Guarantors prepared in accordance with the Swedish accounting standards, and not IFRS, which is the basis of preparation for our Financial Statements.

Rounding

Certain numerical figures set forth in this offering memorandum, including financial data presented in millions or thousands, certain operating data or percentages describing market shares, have been subject to rounding adjustments and, as a result, the totals of the data in this offering memorandum may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial and other data set forth in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” are calculated using the numerical data in the combined financial statements of the Group or the tabular presentation of other data (subject to rounding) contained in this offering memorandum, as applicable, and not using the numerical data in the narrative description thereof.

INDUSTRY AND MARKET DATA

Unless otherwise indicated, statements in this offering memorandum regarding the market environment, market developments, growth rates, market trends and the competitive situation in the markets and segments in which we operate are based on data, statistical information, sector reports and studies as well as on our own estimates.

In drafting this offering memorandum, we used industry sources and sources on market data, including reports prepared by Prognoscentret AB (“Prognoscentret”) and Euroconstruct.

To the extent that information was taken from third parties, such information has been accurately reproduced by us in this offering memorandum and, as far as we are aware and able to ascertain from the information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology may be forward-looking and speculative.

We have not verified the figures, market data and other information used by third parties in the studies, publications and financial information reproduced herein, or the external sources on which our estimates are based. We therefore assume no liability for and offer no guarantee of the accuracy of the data from studies and third-party sources contained in this offering memorandum or for the accuracy of third-party data on which our estimates are based.

This offering memorandum also contains estimates of market data and information derived from such data that cannot be obtained from publications by independent sources. Such information is partly based on our own market observations, the evaluation of industry information (such as from conferences and sector events) or internal assessments. We believe that our estimates of market data and the information we have derived from such data helps investors to better understand the industry in which we operate and our position within it. Our own estimates have not been checked or verified externally. While we assume that our own market observations are reliable, we give no warranty for the accuracy of our own estimates and the information derived from them. They may differ from estimates made by our competitors or from other independent sources. While we are not aware of any misstatements regarding the industry or similar data presented herein, such data involves risks and uncertainties and are subject to change based on various factors, including those discussed under the heading “*Risk Factors*” in this offering memorandum. As a result, neither we nor the Initial Purchasers make any representation as to the accuracy or completeness of any such information in this offering memorandum.

EXCHANGE RATES

The following tables set forth, for the periods set forth below, the high, low, average and period end Bloomberg Generic Composite Rates expressed as U.S. dollar per €1.00 and Swedish krona per €1.00. The Bloomberg Generic Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Generic Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the combined financial statements and other financial information appearing in this offering memorandum. None of the Issuer, the Guarantors or the Initial Purchasers represent that the U.S. dollar, Swedish krona or euro amounts referred to below could be or could have been converted into U.S. dollars, Swedish krona or euros at any particular rate indicated or any other rate.

The average rate for a year, a month or for any shorter period, means the average of the daily Bloomberg Generic Composite Rates during that year, month or shorter period, as the case may be. On January 18, 2021, the Bloomberg Generic Composite Rate between the euro and the Swedish krona was SEK 10.1287 per €1.00.

	<u>Period end</u>	<u>Average⁽¹⁾</u>	<u>High</u>	<u>Low</u>
	<i>(expressed as Swedish krona per €1.00)</i>			
Year				
2017	9.8329	9.6379	10.0255	9.4146
2018	10.1676	10.2593	10.7057	9.7684
2019	10.4982	10.5847	10.9335	10.1637
2020	10.0463	10.4857	11.1542	10.0437

Note:

(1) The average of the Bloomberg Generic Composite Rates on each business day during the relevant period.

	<u>Period end</u>	<u>Average⁽¹⁾</u>	<u>High</u>	<u>Low</u>
	<i>(expressed as Swedish krona per €1.00)</i>			
Month				
January 2021 (to January 18, 2021)	10.1287	10.0880	10.1421	10.0351

Note:

(1) The average of the Bloomberg Generic Composite Rates on each business day during the relevant period.

The average rate for a year, a month or for any shorter period, means the average of the daily Bloomberg Generic Composite Rates during that year, month or shorter period, as the case may be. On January 18, 2021, the Bloomberg Generic Composite Rate between the euro and the U.S. dollar was U.S.\$1.2075 per €1.00.

	<u>Period end</u>	<u>Average⁽¹⁾</u>	<u>High</u>	<u>Low</u>
	<i>(expressed as U.S. dollar per €1.00)</i>			
Year				
2017	1.2005	1.1300	1.2036	1.0406
2018	1.1469	1.1809	1.2509	1.1218
2019	1.1229	1.1195	1.1533	1.0903
2020	1.2225	1.1417	1.2289	1.0667

Notes:

(1) The average of the Bloomberg Generic Composite Rates on each business day during the relevant period.

	<u>Period end</u>	<u>Average⁽¹⁾</u>	<u>High</u>	<u>Low</u>
	<i>(expressed as U.S. dollar per €1.00)</i>			
Month				
January 2021 (to January 18, 2021)	1.2075	1.2198	1.2300	1.2075

Note:

(1) The average of the Bloomberg Generic Composite Rates on each business day during the relevant period.

The above rates may differ from the actual rates used in the preparation of the financial statements and other financial information appearing in this offering memorandum. For a discussion of the impact of the exchange rate fluctuations on our financial condition and results of operations, please see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations.*”

DEFINED TERMS

In this offering memorandum, the following words and expressions have the following meanings, unless the context otherwise requires or unless otherwise so defined. In particular, capitalized terms set forth and used in the sections entitled “*Description of Certain Financing Arrangements*” and “*Description of the Notes*” may have different meanings from the meanings given to such terms and used elsewhere in this offering memorandum.

References to:

Additional Notes	are to the €100.0 million aggregate principal amount of Senior Secured Floating Rate Notes due 2025 to be issued in exchange for the Temporary Notes on or about the Completion Date under the Indenture, which Additional Notes will have the same terms as the Original Notes and will be treated as a single class together with the Original Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase.
Agreed Security Principles	are to the agreed security principles appended to the Super Senior Facilities, as of the date of this offering memorandum, as applied <i>mutatis mutandis</i> with respect to the Notes in good faith by the Issuer.
Calculation Agent	are to Deutsche Bank AG, London Branch.
Clearstream	are to Clearstream Banking S.A., as currently in effect or any successor securities clearing agency.
Collateral	are to any and all assets from time to time in which a security interest has been granted on the Original Issue Date or thereafter pursuant to any Security Document to secure the obligations under the Indenture, the Original Notes, the Additional Notes and/or any Guarantee. See “ <i>The Offering—Security</i> .”
Completion Date	are to the closing date of the Fidelix Acquisition.
Escrow Account	are to the segregated escrow account into which the gross proceeds of the Offering will be deposited on the Issue Date pursuant to the terms of the Escrow Agreement and which shall be the subject of the Escrow Account Charge.
Escrow Account Charge	are to the escrow account charge dated as of the Issue Date between the Issuer, the Temporary Trustee and the Escrow Agent pursuant to which the Escrow Account, together with the Escrowed Property, will be pledged on a first-priority basis in favor of the Temporary Trustee or the Security Agent for the benefit of the holders of the Temporary Notes.
Escrow Agent	are to Nordea Bank Abp, filial i Sverige.
Escrow Agreement	are to the escrow agreement dated as of the Issue Date, between, among others, the Issuer, the Temporary Trustee, and the Escrow Agent with respect to the Escrow Account.
Escrow Longstop Date	are to September 3, 2021.

Escrowed Property	are to the initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds released in accordance with the Escrow Agreement).
EU	are to the European Union.
euro, EUR or €	are to the lawful currency of the European Monetary Union.
Euroclear	are to Euroclear Bank SA/NV or any successor securities clearing agency.
Facility Agent	are to Nordea Bank Abp, filial i Sverige.
Fidelix or Target	are to Fidelix Holding Oy.
Fidelix Acquisition Agreement	are to the sale and purchase agreement dated December 8, 2020 among Assemblin AB and the shareholders and option rights holders in Fidelix (the “Sellers”) to acquire Fidelix from the Sellers (the “Fidelix Acquisition”).
Fidelix Group	are to the group of entities comprising Fidelix and all of its consolidated subsidiaries.
FTE	are to full time-equivalent.
Group, Assemblin, we or us	are to the group of entities comprising Assemblin Financing AB (publ), and all of its consolidated subsidiaries.
Guarantors	are to Assemblin Holding AB, Assemblin AB, Assemblin Sweden AB, Assemblin Holding AS, Assemblin EI AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin Installation AB and Assemblin AS and any other Restricted Subsidiary that Guarantees the Notes from time to time.
IFRS	are to International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Restricted Subsidiaries are, or may be, required to comply. Except as otherwise set forth in the Indenture, all ratios and calculations contained in the Indenture shall be computed in accordance with IFRS; provided that at any date after the Issue Date the Issuer may make an irrevocable election to establish that “IFRS” shall mean, except as otherwise specified herein, IFRS as in effect on a date that is on or prior to the date of such election. Notwithstanding the foregoing, for purposes of any calculations pursuant to the Indenture, IFRS shall be deemed to treat operating leases in a manner consistent with the treatment thereof under IFRS as in effect on January 1, 2018, notwithstanding any modifications or interpretative changes thereto that may have occurred after January 1, 2018.

Indenture	are to the indenture entered into on the Original Issue Date governing the Notes, by and among, <i>inter alios</i> , the Issuer, the Trustee and the Security Agent, as amended by a supplemental indenture dated March 5, 2020, by and among the Issuer, the Guarantors and the Trustee.
Initial Guarantors	are to Assemblin Holding AB, Assemblin AB, Assemblin Sweden AB, Assemblin Holding AS, Assemblin El AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin AS and Assemblin Installation AB.
Initial Purchasers	are to Deutsche Bank Aktiengesellschaft and Nordea Bank Abp.
Intercreditor Agreement	are to the intercreditor agreement entered into on December 3, 2019 between, among others, the Issuer, the Trustee, the Security Agent and the Facility Agent of the Super Senior Facilities on behalf of the lenders thereunder.
Issue Date	are to February 11, 2021.
Issuer	are to Assemblin Financing AB (publ), a registered Swedish public limited liability company (<i>publikt aktiebolag</i>), or any other Successor Issuer in accordance with the indenture.
Midco	Ignition MidCo S.à r.l.
Notes	are to the Original Notes, the Temporary Notes and the Additional Notes, unless otherwise indicated.
Notes Guarantees	are to the guarantees of the Original Notes and, upon the Temporary Notes Exchange, the Additional Notes, on a senior basis by the Guarantors, collectively.
Offering	are to the offering of the Temporary Notes and the Additional Notes as described in this offering memorandum.
Original Issue Date	are to December 6, 2019.
Original Notes	are to the €250.0 million aggregate principal amount of Senior Secured Floating Rate Notes due 2025 issued on December 6, 2019.
Paying Agent	are to Deutsche Bank AG, London Branch.
Post-Completion Date Collateral	are to the security interests that will secure the Original Notes and the Additional Notes within 60 business days of the Completion Date, subject to certain agreed security principles and agreed exceptions.
Registrar and Transfer Agent	are to Deutsche Bank Luxembourg S.A.
Release	are to the release by the Escrow Agent of the Escrowed Property to the Issuer upon the receipt by the Escrow Agent and the Temporary Trustee from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer's Certificate as described under " <i>Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption.</i> "

Rule 144A	are to Rule 144A under the U.S. Securities Act.
SEC	are to the U.S. Securities and Exchange Commission.
Security Agent	are to Deutsche Bank AG, London Branch.
Security Documents	are to the security documents as described in “ <i>Description of the Notes—Certain Definitions.</i> ”
Special Mandatory Redemption	are to the redemption of the Temporary Notes that the Issuer is required to carry out if the Release does not take place on or prior to the Escrow Longstop Date, or upon the occurrence of certain other events, as described under “ <i>Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption.</i> ”
Super Senior Facilities Agreements	are to the SEK 450 million revolving credit facility, which is expected to be increased to SEK 640 million on the Completion Date (and which may increase further in accordance with its terms) and SEK 200 million guarantee facility (which may increase in accordance with its terms) pursuant to the “super senior” revolving credit and guarantee facilities agreement and the SEK 240 million pension guarantee facility (which may increase in accordance with its terms) pursuant to the “super super senior” pension guarantee facility agreement entered into on December 2, 2019, as described more fully under “ <i>Description of Certain Financing Arrangements,</i> ” and the facilities made available thereunder are referred to as the “Revolving Credit Facility,” the “Guarantee Facility” and the “Pension Guarantee Facility,” respectively, or together the “Super Senior Facilities.”
Temporary Indenture	are to the temporary indenture to be dated the Issue Date governing the Temporary Notes entered into by and among, <i>inter alios</i> , the Issuer, the Temporary Trustee and the Security Agent.
Temporary Notes	are to the €100.0 million aggregate principal amount of the temporary senior secured floating rate notes due 2025 offered hereby which, pursuant to the terms of the Temporary Indenture, will be automatically exchanged for an equal aggregate principal amount of Additional Notes issued by the Issuer under the Indenture on or about the Completion Date after the Release (the “Temporary Notes Exchange”).
Temporary Trustee	are to Deutsche Trustee Company Limited.
Transactions	have the meaning ascribed to it under “ <i>Summary—The Transactions.</i> ”
Trustee	are to Deutsche Trustee Company Limited.
United States or U.S.	are to the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.
U.S. dollars or \$	are to the lawful currency of the United States.
we, us, our and the Group	are to the Issuer and its consolidated subsidiaries unless the context otherwise requires.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

The following cautionary statements identify important factors that could cause our actual results to differ materially from those projected in the forward-looking statements made in this offering memorandum. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “will likely result,” “are expected to,” “will continue,” “believe,” “anticipated,” “estimated,” “intends,” “expects,” “plans,” “seek,” “projection” and “outlook.” These statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this offering memorandum. Important risks, uncertainties and other factors that could cause such differences between the actual results from those expressed in forward-looking statements include, but are not limited to:

- the impact of current economic conditions on our financial condition and results of operations, including those effects arising from the COVID-19 pandemic;
- our ability to manage our growth successfully;
- the risk that anticipated pro forma adjustments to Adjusted EBITDA may not materialize;
- the impact of competition in the installation and services industry;
- the impact of increased price competition at the local branch level due to low barriers to entry;
- the impact of continued consolidation among our competitors;
- our ability to identify and integrate acquisitions successfully;
- the risk that our decentralized management structure may be affected if we are unable to maintain effective internal controls;
- challenges at the local level that we may fail to identify and address in a timely manner;
- the impact of cost increases that are above the estimates for our projects;
- our ability to attract and retain technical personnel, qualified branch managers and key officers and directors;
- the risk that we may have to recognize impairment charges to write off all or a part of our intangible assets which make up the majority of our balance sheet assets;
- the risk that we may have to close under-performing branches as a result of general economic conditions;
- the risk that we may incur liabilities for the actions of our employees;
- risks related to project and site management, particularly due to the highly technical nature of our services;
- the risk of damage to our reputation or to the reputations of our third-party subcontractors and strategic partners;
- the impact of political and administrative decisions on our public sector contracts;
- fluctuating commodity prices;
- risks related to our third-party suppliers;
- the risk that we may fail to maintain our relationships with strategic partners in the building and services industry;
- the credit risk of certain of our customers and our liability to customers under guarantee provisions;
- changes in technology and industry standards;
- risks related to the realization of our estimated order backlog;
- the risk that we may incur liabilities that are not covered by insurance;
- the impact of claims made against us and any failure to recover our claims against customers or third parties;
- risks related to the working conditions of our employees;

- the risk that we may be required to pay additional tax or penalties if we fail to comply with transfer pricing regulations;
- risks related to derivative instruments and hedging transactions;
- the risk of currency fluctuations;
- the risk that the trend toward greater outsourcing of services and maintenance by public institutions and private companies may slow or reverse;
- the seasonality of the residential, non-residential and infrastructure construction markets, which may be affected by adverse weather conditions;
- changes in tax law;
- the risk that we may be unable to renew our facilities leases, or that we may remain obligated under a lease after closing a facility;
- significant failures or disruptions of our information technology systems;
- the risk that we may be required to make further contributions to our pension schemes;
- work stoppages or strikes;
- risks related to the Fidelix Acquisition;
- risks related to our structure;
- our high degree of leverage and significant debt service obligations, as well as our ability to generate sufficient cash flow to service our debt; and
- the effect of operating and financial restrictions in our debt instruments.

These and other factors are discussed in “*Risk Factors*” of this offering memorandum.

Because the risk factors referred to in this offering memorandum could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this offering memorandum by us or on our behalf, you should not place undue reliance on any of these forward-looking statements. Furthermore, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for us to predict such factors. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

SUMMARY

The following summary highlights selected information contained elsewhere in this offering memorandum, but does not contain all of the information that you should consider before investing in the Notes. It should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in this offering memorandum. You should carefully read the entire offering memorandum to understand the Group's business, the nature and terms of the Notes and the Guarantees and the tax and other considerations which are important to your decision to invest in the Notes, including the Financial Statements included elsewhere in this offering memorandum, before making an investment decision.

Please see the section entitled "Risk Factors" for factors that you should consider before investing in the Notes and the section entitled "Information Regarding Forward-Looking Statements" for information relating to the statements contained in this offering memorandum that are not historical facts.

Overview

We are one of the Nordic region's leading providers of complete installation and service solutions, with our primary activities focusing on electrical engineering, heating and sanitation, ventilation and automation, as well as key competencies in data and telecom, industrial pipes, district heating, cooling, sprinklers, security and electrical workshop and field services. We hold a strong position in the growing installation market in the Nordic region (comprising Sweden, Norway and Finland), which are estimated at approximately SEK 98 billion, SEK 75 billion and SEK 59 billion, respectively, and have a combined approximate value of SEK 231 billion as of December 31, 2019, and in 2019, we had the second largest share of Sweden's installation market by revenue according to Prognoscentret. Moreover, in December 2020, we entered into a sale and purchase agreement to acquire Fidelix, a technology-driven building automation service company, which is expected to provide us with a market-leading position within the building automation market in the Nordics.

We provide installation and service assignments in various types of properties, industrial facilities and infrastructure projects for a diverse customer base consisting over 20,000 large and small customers, which include construction companies, the public sector, property owners and industrial companies. Our strong relationships with our customers have contributed to an order backlog of SEK 8,245 million and an LTM order intake of SEK 9,859 million, respectively, as of September 30, 2020, and we currently have over 3,000 ongoing projects. We take on primarily two types of assignments: contractor assignments and service assignments. The proportion of contractor assignments and service assignments represented 60% and 40%, respectively, of our net revenue for the twelve months ended September 30, 2020.

Our operations are decentralized and governed based on a shared framework, clear allocation of roles and responsibilities and systematic monitoring. Our current operating organization is divided into five specific business areas: three in Sweden (Assemblin EI, Assemblin VS and Assemblin Ventilation), one in Norway (Assemblin Norway) and one in Finland (Assemblin Finland), comprising over 166 branches across over 100 locations with over 5,800 employees in the Nordic region. We believe that our decentralized business model contributes to the profitability of our operations. This decentralized and entrepreneurial business model allows us to swiftly adjust to a largely variable cost structure and promotes enterprise and accountability at all levels of our structure with the president of each business area being responsible, together with their management groups, for the operations and earnings in their respective business areas.

The following map shows the branch footprint of our business areas, representing the locations in which we operated in the Nordic region as of September 30, 2020.



We have been owned by Triton Partners since 2015, and since then have expanded our geographical presence and volumes through the acquisition of 40 additional companies to date (excluding Fidelix), the largest of which being a carve-out from construction company Skanska, Skanska Installation, acquired in 2016. Our organic and inorganic growth has made us into a complete installation and service partner, with the strength of a multidisciplinary group and the personal presence of a local company.

In the twelve months ended September 30, 2020, we had total net revenue of SEK 10,133 million, a net profit for the period of SEK 42 million, EBITA of SEK 304 million, Adjusted EBITA of SEK 569 million and Pro Forma Adjusted EBITDA of SEK 851 million. This was supported by our strong order backlog, which stood at SEK 8,245 million as of September 30, 2020.

The table below sets out the net revenue, Adjusted EBITA (and corresponding margin), order backlog, share of service assignments, average number of FTE employees and number of branches for each of our business areas as of and for the twelve months ended September 30, 2020.

	As of and for the twelve months ended September 30, 2020				
	Assemblin EI	Assemblin VS	Assemblin Ventilation	Assemblin Norway	Assemblin Finland
	(SEK millions unless otherwise indicated)				
Net revenue ⁽¹⁾	4,149	2,658	1,350	1,464	605
Adjusted EBITA ⁽²⁾	233	148	78	102	6
Adjusted EBITA Margin ⁽²⁾	5.6%	5.6%	5.8%	7.0%	1.0%
Order backlog	3,102	2,103	1,675	1,132	233
Share of service assignments ⁽³⁾	46%	35%	22%	45%	35%
Average number of employees, FTE	2,809	1,416	556	722	333
Number of branches	61	50	24	15	16

Notes:

(1) Net revenue on a segment basis presented before intragroup eliminations.

(2) Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets), which are categorized as described under “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations.*” Adjusted EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period,

expressed as a percentage. For more information, see “*Presentation of Financial and Other Data—Non-IFRS Measures.*” For a reconciliation of these non-IFRS measures to IFRS financial information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Nine Months Ended September 30, 2020 Compared with Nine Months Ended September 30, 2019—Adjusted EBITA and margins.*”

(3) In terms of net revenue.

Competitive Strengths

We believe that the following are our key strengths:

Top Nordic player focused on regional leadership

We are a leading provider of complete installation and service solutions in electrical engineering, heating and sanitation, ventilation and automation in the Nordic region. We hold a strong position in the growing installation market in Sweden, Norway and Finland, estimated at approximately SEK 231 billion as of December 31, 2019, and in 2019, we had the second largest share of Sweden’s installation market by revenue according to Prognoscentret. In addition, we believe we hold the number one position in the Oslo heating and sanitation market, and a top 5 position in Finland. Moreover, we expect the acquisition of Fidelix to provide us with a market-leading position within the building automation market in the Nordics.

We are outperforming the market and gaining market share; specifically, in 2019, we held the second largest market share (8.4%) of the estimated SEK 98 billion installation market in Sweden, representing a market share increase of 75 basis points between 2017 and 2019. Our presence in Norway and Finland has also shown strong growth, with our market share (1.6%) of the estimated SEK 75 billion installation market in Norway increasing by 44 basis points between 2017 and 2019, and our market share (1%) of the estimated SEK 59 billion installation market in Finland increasing by 8 basis points over the same period. We have operated through our constituent subsidiaries in our key markets of Sweden, Norway and Finland for more than half a century and have a track record of completing contracts on time and in line with customer specifications, which is underpinned by our commitment to attaining the highest levels of customer satisfaction. We believe that brand awareness and market reputation are key factors for customers deciding upon a particular installation and services provider and that our established portfolio and track record, therefore, provide us with a significant competitive advantage.

Importantly, we have developed high network density in our chosen markets, including nation-wide Sweden, the greater Oslo area (Norway) and in the Helsinki-Turku-Tampere triangle (Finland), with our footprint tailored to maximize regional leadership in an industry where local scale matters. Our market presence and the scale and geographic reach of our operations give us a clear advantage over our competitors, which in our fragmented market comprise mostly small or medium-sized enterprises. This is particularly the case with respect to contracts for major projects, which typically generate stable revenue streams and cash flows, as we are one of only a small number of companies in our markets with sufficient resources and expertise to be mandated on, and successfully execute, such contracts due to the scale, diversity and quality of our installation and service offering.

Our geographic reach has enabled us to attain significant market positions in the regions where we operate, particularly in Sweden where, in terms of 2017 net revenue, we had nine regions ranked either number one or number two in electrical engineering, ten in heating and sanitation and six in ventilation. Only one of our competitors had more regions ranked higher in these categories than Assemblin in Sweden.

Our Group and local scale provide differentiating competitive advantages. At the Group level, we are able to utilize our procurement expertise to optimize sourcing supplier terms within each business area and leverage on our digital capabilities. In addition, we leverage certain central functions such as finance, legal, communication and our central IT platform. At the local level, our geographic network comprises over 166 branches across over 100 locations in the Nordic region, in close proximity to our customers. In certain locations, our business areas share branch premises allowing for significant cross-selling and cost-reduction opportunities. In addition to being better positioned to win local tenders, our cross-staffing ability between branches allows us to optimize project selection. Further, our local scale has allowed us to build a workforce of over 5,800 employees in the Nordic region with many employees preferring to work for a larger company due to supportive and clear governance, stability, brand awareness and personal development opportunities.

Execution excellence delivered by local branch managers and specialist staff

We believe that our decentralized business model contributes to the profitability of our operations. Our current operating organization is divided into five specific business areas (Assemblin EL, Assemblin VS, Assemblin Ventilation, Assemblin Norway and Assemblin Finland), which in turn consist of regions, divisions and branches where local decision making and project execution is undertaken. This decentralized and entrepreneurial business model allows us to swiftly adjust our largely variable cost structure (see “—*Resilient and agile business model*”) and promotes entrepreneurial culture and accountability at all levels of our structure with the president of each business area being responsible, together with their management groups, for the operations and earnings in their respective business areas.

We believe that one of our key strengths is the division of our business by business area instead of by region. The focus on business areas allows our managers and their teams to prioritize their technical areas of expertise, it provides career development opportunities for our talented employees within their respective business lines, as well as it is also an important advantage in the mergers and acquisition context where the typical target company has one technical discipline, allowing the target company to join the appropriate part of our business which focuses on the target’s core strength. For example, we expect the Fidelix Group to be an independent business area within the Group, and Fidelix’s experienced management team will continue to play a critical role in Fidelix’s ongoing operations to help ensure continued success.

Through our decentralized business model, our branch managers are incentivized to create value and lead a specialized and skilled workforce. Specifically, the interplay between specialist staff and strongly incentivized branch managers has led to improved profitability. Our specialist staff are supported by the Assemblin Academy and compulsory web courses to enhance their skillsets. In addition, employees are guided by clear development plans and career ladders, which, in turn, allows us to attract top quality employees. The focus on incentivizing specialist staff through measures such as the Assemblin Academy as well as our staff incentive plan has contributed to industry leading employee satisfaction at Assemblin, underpinning our ability to retain specialist staff. Specifically, in 2019, we achieved an employee net promoter score (“NPS”) of 18, compared to 4 in 2012, which was substantially higher than the industry average of 9. Furthermore, we have an employer reputation score of 3.3 in Sweden, which is the highest among our key competitors.

On the branch manager side, branch managers’ decision-making is based on their in-depth local market knowledge and customer relationships supported by a specialized staff allowing branch managers to reduce costs and provide a geared installation and service offering to customers. Branch managers are strongly incentivized on EBITA Margin targets as well as efficient working capital management.

Throughout the COVID-19 pandemic, enhanced monitoring at the branch level has allowed successful management of market and operational challenges stemming from COVID-19 restrictions. We have also experienced successful management of personnel shortfall due to sick leaves during COVID-19 through effective reallocation between assignments, allowing us to continue relying on our specialist staff.

As a result of our investment in specialist staff and incentivizing our branch managers, the proportion of loss-making branches has reduced from 38% for the year ended December 31, 2016 to 19% for the year ended December 31, 2019, and these branches contributed only 14% of our net revenue for the year ended December 31, 2019. The proportion of branches delivering over 7% of EBITA Margin has increased over the same period from 22% to 40%. The table below outlines the split of branches’ profitability level by EBITA Margin for the periods indicated, based on management estimates.

	For the year ended December 31,			
	2016	2017	2018	2019
	% of Branches			
EBITA Margin:				
< -3.0%	31	20	17	10
-3.0%-0.0%	7	6	5	9
0.0%-2.5%	17	18	18	16
2.5%-7.0%	24	24	21	25
>7.0%	22	32	39	40

Further, our branch managers’ project execution is underpinned by well-established controls which allow us to execute our decentralized business model. Branch managers are continuously supported and monitored at the

regional, business area and Group level to ensure appropriate risk management and improved profitability. This support is carried out by, among other things, project selection controls and project execution controls.

In relation to project selection, tenders are approved based on project size, assuming standard contractual terms. Projects under €1 million can be approved directly by the branch office, with projects between €1 million to €2 million and €2 million to €5 million required to be approved at the region and business level, respectively. Projects between €5 million to €10 million must be approved at the Group level and contracts over €10 million are required to be approved by our Board. With respect to project execution, branches are supported by an established system of financial, internal and management controls.

High revenue visibility from project backlog and recurring services

Our ability to sustain profitable operations is underpinned in large part by our strong project backlog and high incidence of recurring services, which together provide high revenue visibility. This high revenue visibility allows us to take a more stringent approach in our margin selection criteria. Our order intake volumes grow our backlog over time. Between September 30, 2018 and September 30, 2020, our order intake increased by 7.1% to SEK 7,252 million for the nine months ended September 30, 2020, compared to SEK 6,774 million during the nine months ended September 30, 2018. Moreover, we experienced our highest annual order intakes to date in the year ended December 31, 2019, reaching SEK 11,258 million (compared to SEK 9,459 million in 2018), which was driven in particular by two large orders: the Stockholm Bypass project from the Swedish Transportation Administration and the new health care building in the Malmö hospital district, which contributed SEK 520 million and SEK 867 million, respectively, to our order intake during that period. Order backlog as of September 30, 2020 was SEK 8,245 million, compared to SEK 6,780 million as of September 30, 2018, and the order intake for 2019 resulted in our reaching our highest annual order intake to date of SEK 8,478 million as of December 31, 2019. Beginning as early as January 1 of every year, our order backlog provides visibility of more than 50% of our annual project revenues (excluding service revenues).

The following table sets out our existing project backlog for the periods indicated.

	Order backlog <i>(SEK millions)</i>
Quarter ended:	
September 30, 2018	6,780
December 31, 2018	6,971
March 31, 2019	7,694
June 30, 2019	7,663
September 30, 2019	8,478
December 31, 2019	8,478
March 31, 2020	8,239
June 30, 2020	8,342
September 30, 2020	8,245

We take a consistent approach to order booking and only include signed contracts in our order backlog. Even when new contracts appear highly likely to be awarded as a result of our Integrated Project Delivery (“IPD”) (see “*Business—Competitive Strengths*”) pipeline, we exclude them until they are signed. In addition, the lead time on our backlog projects has been increasingly extended due to capacity constraints, which now requires customers to book projects earlier on. We currently hold a strong pipeline of large, more technical and publicly-funded contracts due to current structural needs for schools, hospitals and transport infrastructures in the Nordic region.

We also benefit from an increasingly high rate of recurring service business and have experienced a meaningful increase in the conversion rate from project assignments, which primarily consist of new installation or the redevelopment of, and adaptations to, technical systems in buildings, plants, to service assignments, which comprise the operation, maintenance, repair, replacement, reconfiguration and monitoring of installations in buildings, plants and infrastructure. For example, the net revenue of our service business increased from SEK 2,922 million in the year ended December 31, 2017 to SEK 3,833 million in the year ended December 31, 2019, representing 35.8% and 38.4% of our total net revenue of SEK 8,169 million and SEK 9,978 million respectively. For the twelve months ended September 30, 2020, the net revenue of our service business was SEK 4,007 million, which represented 39.5% of our net revenue of SEK 10,133 million during this period. This

increased service contribution improves our budget accuracy and drives profitable growth, particularly in the case of recurring services, which pose high barriers to entry for our competitors at the contract renewal stage.

We endeavor to maximize client satisfaction and retention by taking a strategic approach to each customer relationship. This approach begins by establishing multiple touch points with the customer and developing a deep understanding of the client's needs. Next, we offer a state-of-the-art digital platform that allows for continuous performance monitoring and improvement throughout each assignment. Finally, we provide a comprehensive breadth of service offerings and aim for performance beyond customer expectations in order to increase the likelihood of recurring service contracts going forward.

Resilient and agile business model

Our decentralized and entrepreneurial business model allows us to swiftly adjust our largely variable cost structure. Installation is the last part of the typical construction project, with multi-technical service providers having solid predictability of the project pipeline. As a result of our late stage involvement in projects, branch managers are able to identify early signs in the changes of market dynamics and adjust our variable cost base as necessary. Our ability to proactively manage or swiftly react to such changes in market dynamics is supported by our lean and decentralized operational organization of five business areas in three countries, spread across over 166 branches. Approximately 89% of our cost structure during the twelve months ended September 30, 2020 was variable or semi-variable, which provides us with substantial operational flexibility. Additionally, although to date the installation market has proved to be relatively resilient to the COVID-19 pandemic and we believe the underlying drivers for long-term growth remain, we have experienced increased competition due to more uncertain market conditions. In light of this uncertainty, we believe it is beneficial to be a large, stable player with an ability to identify and react quickly to market changes, which we believe our leading market position, strong financial position and decentralized business model allows us to achieve.

Further, branch managers have a diverse end-market exposure with a high share of service assignments and mainly smaller projects. Based on our end-market analysis conducted for our largest business areas, Electrical and Heating & Sanitation, in terms of net revenue, between January 1, 2020 and September 30, 2020, a large part of our net revenue originated from cycle-resilient end-markets such as healthcare (10%), education & culture (8%), infrastructure (2%) and service assignments (42%). Further, we had limited exposure to the Swedish residential market as approximately 12% of our end-market exposure was attributable to project assignments in the residential market, with new residential builds representing an estimate of less than 5% of our total project revenue. Other limited end-market exposures include business (3%), offices (9%), hospitality (2%), warehouses (2%) and industrial (8%). Our business also has limited dependency on a specific customer or type of contract. According to the Group's management estimates, our top ten customers accounted for approximately 30% of our net revenue for the year ended December 31, 2019. Further, based on net revenue for the year ended December 31, 2019, projects (which includes both installation projects as well as certain service projects subject to percentage of completion accounting) under SEK 50 million, between SEK 50-100 million, over SEK 100 million represented 56%, 5%, 3% of our net revenue, respectively and the remaining 36% being other service assignments.

Following Triton's acquisition of the Group, we have pursued a strategy of low-risk and accretive bolt-on acquisitions in order to expand our business. Specifically, with Triton as our owner, we have grown through the acquisition of 40 additional companies (excluding Fidelix), the largest of which being a carve-out from construction company Skanska, Skanska Installation, acquired in 2016. The rest of our acquisitions comprised companies with an average revenue of approximately SEK 48 million and 25 employees. When completing an acquisition, we anticipate paying a multiple of approximately 4-6 times the target's EBITA, consistent with the multiple for our recent historical acquisitions. For more information, see "*—History.*" We believe that our established track-record of low-risk bolt-on acquisitions in a consolidating market has allowed us to successfully realize synergies and integrate the workforce, and we intend to continue to pursue acquisitions in order to increase our market presence, our service offering and our service capacity.

Established track-record of improving margin and Free Cash Flow generation

Our profit has increased from SEK 22 million in 2017 to SEK 42 million for the twelve months ended September 30, 2020. Our Adjusted EBITA Margin has increased significantly from 3.1% in 2017 to 5.6% in the twelve months ended September 30, 2020. Our ability to address market demand and new customer orders as well as our focus on empowering branch managers and providing fixed services at the Group level have enabled us to improve profitability. We have also started benefitting from the completion of our accelerated profitability program, which we completed at the end of 2019 and was targeted to optimize our branch network, reduce overhead expenditures and improve operational efficiency. Further, we achieved strong Free Cash Flow

generation and Cash Conversion between 2017 and the twelve months ended September 30, 2020, as indicated in the table below.

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2017	2018	2019	2019	2020	2020
	<i>(SEK millions, unless otherwise indicated)</i>					
Profit for the year/period	22	143	92	162	112	42
Free Cash Flow ⁽³⁾	93	516	514 ⁽¹⁾⁽²⁾	87 ⁽¹⁾	481 ⁽¹⁾	908 ⁽¹⁾
Cash Conversion ⁽³⁾	28%	106%	85% ⁽¹⁾⁽²⁾	23% ⁽¹⁾⁽²⁾	112% ⁽¹⁾⁽²⁾	138% ⁽¹⁾⁽²⁾

Notes:

- (1) Excludes the impact of IFRS 16 on the combined financial information for the periods indicated.
- (2) The unaudited financial data as of and for the twelve months ended September 30, 2020 has been derived by subtracting the combined financial information as of and for the nine months ended September 30, 2019 from the combined financial information as of and for the year ended December 31, 2019 and adding the combined financial information as of and for the nine months ended September 30, 2020, and, where indicated, excluding the impact of IFRS 16. The financial information as of and for the twelve months ended September 30, 2020 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations, cash flows or financial position for any future period at any future date, is not prepared in the ordinary course of our financial reporting.
- (3) Free Cash Flow and Cash Conversion are non-IFRS measures. We define Free Cash Flow as Adjusted EBITDA, less the sum of Changes in Net Working Capital and Net Capital Expenditures for the period. We define Cash Conversion as Free Cash Flow divided by Adjusted EBITDA. Changes in Net Working Capital is defined as the sum of the increase or decrease in inventories, the increase or decrease in net work in progress, the increase or decrease in total trade receivables, the increase or decrease in reserve for bad debt, the increase or decrease in other receivables, the increase or decrease in trade payables and the increase or decrease in other payables for the relevant period.

See “*Presentation of Financial and Other Information—Presentation of Financial Information—Non-IFRS Measures.*” For a reconciliation of these non-IFRS measures to IFRS financial information, see “*Summary—Summary Combined Financial and Other Information—Operating Data and Non-IFRS Financial Information.*”

Our high cash flow generation has been driven by our capital-lite operations together with efficient working capital management. Our operations require very limited capital expenditure, which primarily comprises tools, refurbishment and IT, with our Net Capital Expenditure representing 0.8% of net revenue for the twelve months ended September 30, 2020. Our service vehicle fleet which is directly linked to the growth of our service operations is being arranged through flexible financial lease arrangements. We have a high focus on working capital management across the Group and as a result our Net Working Capital has been negative, being negative SEK 173 million, or 2.1% as a percentage of net revenue (SEK 8,169 million) for the year ended December 31, 2017, negative SEK 363 million, or 4.1% as a percentage of net revenue (SEK 8,885 million) for the year ended December 31, 2018, negative SEK 391 million, or 3.9% as a percentage of net revenue (SEK 9,978 million) for the year ended December 31, 2019 and negative SEK 493 million, or 4.9% as a percentage of net revenue (SEK 10,133 million) for the twelve months ended September 30, 2020. For the definition of Net Working Capital, see “*Presentation of Financial and Other Data—Non-IFRS Measures.*” Our ability to generate Free Cash Flow has contributed to our growth and has allowed us to undertake our mergers and acquisition strategy and achieve deleveraging, including since the issuance of the Original Notes as demonstrated by the decrease in our ratio of total net debt to pro forma Adjusted EBITDA from 4.3x to 3.5x as of September 30, 2020 (without giving pro forma effect to this Offering). We believe that our successful and proven business model, combined with our well-established long-term customer relationships, will enable us to continue to achieve profitable growth and leverage going forward.

An experienced and established management team

Our management team consists of experienced professionals with strong backgrounds and operational expertise in installation and service solutions and a proven track record of acquiring and integrating new businesses. Our Chief Executive Officer, Mats Johansson, our Chief Financial Officer, Philip Carlson, and our business area chief executive officers have over 20 years of industry experience, on average. Our management team is supported by a highly experienced Board, and we also benefit from the extensive market expertise, business relationships and ongoing strong support of our shareholder, Triton.

Our Strategy

We target to be the best installation company in the Nordic region. To achieve our goals, we intend to pursue the following strategies:

Continue to focus on profitable growth by selectively developing our regional leadership and becoming the most attractive employer in the industry

We are determined to grow our business profitably and sustainably. This means that we will be mindful of winning market shares and new contracts without compromising on profitability.

We believe that we are well positioned to grow our leading local market positions throughout the Nordic region and strong local market positions by continuing to provide high-quality services and support to our customers and employees, and by focusing on our local operations.

We intend to continue to operate a large, decentralized organization, with local branch units operating as individual profit centers. Maintaining a well-established, local presence throughout the Nordic region also provides our customers with a large number of local access points. We intend to continue to leverage our strong customer relationships and local market knowledge to meet our customers' needs promptly and efficiently, in order to establish ourselves as the provider of choice in the markets in which we operate.

We will enhance growth by targeting attractive local markets and remaining agile and flexible when it comes to our footprint so that capital and human resources are always allocated in the most accretive way. We will also continue to invest in markets where Assemblin is or has the ability to become the largest or second-largest operator so that we can leverage competitively our scale advantages and Group capabilities while strengthening our high customer intimacy.

Our employees are key to maintaining and growing our leading-market positions. We intend to utilize our reputation and intensify our brand awareness to continue to recruit and retain the best talents in the industry and to position ourselves as the employer of choice. We will also keep track and improve the performance of our existing managers and technicians by continuing to develop professional and technical training programs and by assigning our engineers and technicians to a wide range of fields. Strengthening the competence of middle management is paramount and we are achieving, and will continue to do so, through our Group-wide leadership model and an improved new structure process for succession planning. We will finally continue to incentivize our managers and technicians by maintaining a performance-based compensation structure focused on profits and cash generation rather than volume growth.

Continue to focus on absolute margin expansion through operational excellence and economies of scale

Our profitability has substantially improved since Triton invested in Assemblin. However, we believe that there is scope to continue to increase our absolute margin level.

While we differentiate our offering by providing consistent, high-quality installation and technical services and offering a wide range of services to our customers, we are also able to drive cost savings by driving best practices across our Group.

In 2019, we completed our accelerated profitability improvement program targeted to optimize our branch network, reduce overhead expenditures and improve operational efficiency. This program provided us with tangible cost savings in 2019, and we intend to consolidate and build on the improvements achieved so far.

Additionally, to continue to improve our margins and cash flow, we intend to continue focusing on project selection and execution to allow us to operate more efficiently and profitably in the short-term while reducing project risk in the long-term. Over time, we are also gaining a better understanding of key success factors and best practices by analyzing the operational data and profitability metrics on a project by project basis. We achieve this by measuring branch profitability and by creating a corporate culture where profitability is rewarded over volume. Execution-wise, we have a clear project governance scheme so that the right resources are allocated to each project while the adequate communication channels will relay relevant information across the Group.

Continue to focus on recurring revenues

We believe that the diversity of our customers and our contract portfolio across our operating segments result in strong, recurring revenues, which help us withstand negative business cycles in any single aspect of our business. We intend to increase our share of recurring projects with all of our customers by continuing to focus increasing our maintenance service revenues. We intend to extend this strategy to the companies we acquire, including Fidelix, whose strong track record of double-digit margins and large and growing installed base further supports profitability through its aftermarket and cloud businesses.

We also plan to maintain a balance between our installation and services businesses and to continue to capitalize on our ability to provide add-on maintenance services following the completion of our installation projects as those tend to be recurring and more predictable by nature.

Pursue an accretive bolt-on acquisition growth strategy focused on the right cultural fit with our business

The Nordic installation market is highly fragmented and represents a compelling opportunity to grow our business while generating cost synergies and enhancing price discipline in the market.

We continually evaluate opportunities to acquire and integrate other installation and technical services providers in the Nordic region in order to strengthen our local competitive position, broaden the range of our offering and increase our presence in our existing markets. We believe we have significant experience in identifying, executing and integrating acquisitions while remaining focused on our existing business. We also believe the acquisition of Fidelix will provide us with a platform for further acquisition-led growth, especially given Fidelix's track-record of successful bolt-on acquisitions.

Our focus on technical disciplines allows us to better approach likely targets and provide a compelling view of a common future. We intend to continue to grow through strategic bolt-on acquisitions but we will prioritize targets where a good cultural fit with our business which limits integration risk and improves staff retention that is crucial considering the local, relationship-driven nature of our activity.

Accelerate the digitalization of our business in order to find solutions that increase customer benefit and internal efficiency, in line with the secular trends we observe in our industry

We take an active part in the digital transformation of the building and installation industry. Buildings are increasingly connected and involve smart, interconnected and automated technical systems. This represents a substantial growth opportunity for our business that we strive to take advantage of. In particular, the acquisition of Fidelix brings additional digitalization capabilities across the Group, which we expect to be a driver as we focus on the next-generation of installation across all of our business areas.

Digitalization, however, does not only underpin our long-term growth profile, it is also an opportunity to connect construction sites to better inform decision-making and foster a closer collaboration across our teams but also with the various parties which we collaborate with on a construction site.

Each of our business areas has dedicated digitalization managers mapping local initiatives and driving local digitalization efforts. Our central steering group involves members from all business areas and prioritizes initiatives according to Assemblin's digital agenda. Our key successes have historically been on our market leading expertise in Building Information Modelling ("BIM") where Assemblin has around 16 years of experience. This type of modelling is currently used both in large and small projects, improves clarity to all stakeholders throughout the project lifecycle, and makes it easier to achieve project and business goals. Other digital tools we have developed includes Assemblin eManageri which is a smart platform helping property managers and owners to monitor and manage energy efficiency in properties.

Continue to leverage "Sustainability" initiatives

As energy prices rise and concerns over climate change increase, local, regional and national authorities, corporates and the public are increasingly demanding socially responsible energy consumption. We believe that we are well positioned to take advantage of growth in the "green economy." The energy consumption of a building is significantly influenced by the design of its electrical, heating and plumbing, and HVAC systems. As

a leading Nordic installer and service provider of those systems, we are able to support customers seeking to optimize energy utilization in both new and existing buildings. We also offer energy efficiency solutions for different types of power distribution. We aim at increasing our revenues attributable to the “green economy” by further developing innovative installation and service offerings in the area of energy efficiency. We also believe that Fidelix will be accretive to us in this respect given that its technology-driven building automation services serve to optimize building performance both from a cost and environmental perspective, while providing the building users with a healthier indoor environment.

The Sponsor

Founded in 1997, Triton is a private equity investment firm in the German-speaking and Nordic regions with 12 offices including Jersey, London, Frankfurt, Stockholm, Luxembourg and Shanghai. Its investment philosophy is focused around building better businesses and producing superior investment returns based on operational improvement and “buy and build” value-creation strategies. Triton has more than €14 billion of committed capital across its funds and seeks to invest in market-leading companies with strong long-term prospects in its core sectors of industrial manufacturing, business services and consumer/health services.

Triton’s business services team invests in a range of businesses from multidisciplinary installation services, food logistics and storage providers to shipping companies. Since 2002, Triton has made 27 investments in the business services sector totaling approximately €2.9 billion. In 2013, Triton established its Triton Fund IV with investors committing a total of €3.55 billion to the fund. Assemblin was acquired through Triton Fund IV in November 2015.

The Transactions

We collectively refer to the Fidelix Acquisition, the Sponsor Investment, the upside of the revolving commitments under the Revolving Credit and Guarantee Facilities Agreement, the Offering and the payment of related fees and expenses as the “Transactions.”

On or about the Completion Date, we expect to use the gross proceeds of the Offering, together with the proceeds from the Sponsor Investment, to (a) finance the cash consideration payable to the Sellers in connection with the Fidelix Acquisition (including the purchase price, certain other purchase price adjustments under the Fidelix Acquisition Agreement and the repayment of certain debt of the Target), (b) pay transaction costs associated with the Transactions and (c) fund cash on balance sheet, including potential acquisitions.

The Fidelix Acquisition

On December 8, 2020, Assemblin AB entered into a sale and purchase agreement (the “Fidelix Acquisition Agreement”) to acquire (the “Fidelix Acquisition”) Fidelix Holding Oy (the “Target” or “Fidelix”) from the shareholders and option rights holders in Fidelix (the “Sellers”). The Fidelix Acquisition is subject to approval from the Finnish competition authority.

The Fidelix Acquisition Agreement provides for an initial cash consideration payable on the Completion Date to the Sellers, subject to purchase price adjustments in accordance with the terms of the Fidelix Acquisition Agreement. We also expect to repay certain outstanding indebtedness of the Target. We estimate the aggregate cash consideration for the Fidelix Acquisition to be approximately €92 million (or approximately SEK 965 million).

On or about the Completion Date, the Issuer will use a portion of the proceeds from the Offering to finance the cash consideration payable to the Sellers in connection with the Fidelix Acquisition.

The Sponsor Investment

In connection with the Fidelix Acquisition, the Sponsor will contribute €20 million (or approximately SEK 210 million) in cash (the “Sponsor Investment”) through intermediate holding companies to the Group on or about the Completion Date in the form of an equity contribution.

The Offering and Escrow; Release and Automatic Exchange

The Issuer is issuing the Temporary Notes on the Issue Date in anticipation of the Fidelix Acquisition occurring on the Completion Date. The Initial Purchasers will, concurrently with the issuance of the Temporary Notes on the Issue Date, deposit with the Escrow Agent an amount equal to the gross proceeds of the Offering sold on the Issue Date into the Escrow Account. The Escrow Account will be controlled by the Escrow Agent. The Escrow Account, together with the Escrowed Property, will be pledged on a first-priority basis in favor of the Temporary Trustee or the Security Agent for the benefit of the holders of the Temporary Notes, pursuant to the Escrow Account Charge. From the Issue Date until the Temporary Notes Exchange, each of the Temporary Notes will be solely secured by a first-priority security interest over the Escrow Account Charge. The release of the escrowed proceeds will be subject to the satisfaction of certain conditions, including the Fidelix Acquisition being required to be consummated promptly following the release of the escrowed proceeds from the Escrow Account. See *“Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption.”* The Temporary Notes will not be guaranteed.

If the Fidelix Acquisition is not consummated on or prior to September 3, 2021 (the “Escrow Longstop Date”), or upon the occurrence of certain other events, the Temporary Notes will be subject to a Special Mandatory Redemption. The Special Mandatory Redemption price of the Temporary Notes will be equal to 100% of the aggregate issue price of the Temporary Notes plus accrued and unpaid interest then required to be paid under the Temporary Notes, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date. See *“Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption”* and *“Risk Factors—Risks Related to the Fidelix Acquisition—If the conditions to the release of the proceeds of the Offering set forth in the Escrow Agreement are not satisfied, the Temporary Notes will be redeemed and you may not get the return you expect on the Temporary Notes.”*

On or about the Completion Date, the Temporary Notes will be automatically exchanged for an equal aggregate principal amount of Additional Notes and the escrowed proceeds will be released (the “Temporary Notes Exchange”). In addition, upon the Temporary Notes Exchange, the Issuer and the Guarantors will extend and/or confirm the extension of the Collateral to cover the Additional Notes, which pursuant to the Intercreditor Agreement, will benefit from the same ranking as the liens securing the Original Notes. Furthermore, upon the Temporary Notes Exchange, the Guarantees will benefit the Additional Notes. In addition, subject to the Agreed Security Principles, within 60 business days of the Completion Date, the Original Notes and the Additional Notes will be secured by the Post-Completion Collateral.

The Temporary Notes will be issued by the Issuer under the Temporary Indenture. The Additional Notes will be issued as additional notes under the Indenture (pursuant to which the Original Notes were issued on the Original Issue Date). The Temporary Notes will have the same terms as the Original Notes, except as described herein. The Temporary Notes will trade separately from the Original Notes, will have different ISIN/common code numbers than the Original Notes and will not be fungible with the Original Notes. The Additional Notes will have the same terms as the Original Notes and will be treated as a single class together with the Original Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. After giving effect to the issuance of the Additional Notes, the aggregate principal amount of Notes outstanding under the Indenture will be €350.0 million.

Revolving Credit and Guarantee Facilities Upsize

The Revolving Credit and Guarantee Facilities Agreement provides for borrowings under the Revolving Credit Facility of up to an aggregate principal amount of SEK 450 million on a committed basis, which is expected to be increased to SEK 640 million on the Completion Date. We do not expect that we will draw any cash amounts under the Revolving Credit Facility on the Completion Date. For a more detailed description of the Revolving Credit and Guarantee Facilities Agreement, see *“Description of Certain Financing Arrangements—The Super Senior Facilities.”*

Fidelix

Overview of Fidelix Business

Fidelix was founded in 2002 and has since grown into a technology-driven building automation service company with a leading market position in the Nordics. Using in-house developed technology, Fidelix covers the full value chain, from sales and deployment of products and systems, to cloud and aftermarket services. Fidelix currently operates in Finland and Sweden (accounting for approximately 70% and 30% of Fidelix's 2020 net sales, respectively, based on Fidelix's management accounts and before intragroup eliminations), with 20 regional offices and over 300 employees. Its experienced management team will be integrated within the Group and will continue to play a critical role in Fidelix's ongoing operations to support continued success.

Fidelix offers building management systems ("BMS") for commercial buildings by combining hardware and software from its product portfolio to optimize building performance both from a cost and environmental perspective, while providing the building users with a healthier indoor environment. Fidelix also provides metering, cloud and IoT solutions for residential buildings (referred to as individual metering and debiting or "IMD") through EcoGuard, which it acquired in April 2019.

Fidelix provides its BMS and IMD services to a well-diversified customer base. Its customers include both public (representing almost half of its orderbook as of June 2020 based on Fidelix's management accounts) and private end-customers across the commercial and residential market, for both new builds and renovations (accounting for over 40% and 55%, respectively, of net sales in 2019 based on Fidelix's management accounts). Fidelix's project portfolio includes both relatively large and small projects, with Fidelix's management estimating that over 60% of its completed and ongoing projects individually generated sales of less than €200,000. As a result, Fidelix is able to cover a wider installed base, which totaled approximately 26,500 buildings as of January 2020 (based on Fidelix management's estimates), approximately 15,500 of which comprise its BMS installed base (in Sweden and Finland), with the remainder comprising its IMD installed base (in Sweden). Fidelix's installed base serves as a conduit for its aftermarket and cloud businesses and provides references and expertise across building types and deeper visibility into market outlook.

Its three operational segments are: (i) products and cloud services (as part of its BMS offering); (ii) projects and maintenance (as part of its BMS offering); and (iii) measurement (as part of its IMD offering) (accounting for approximately 26%, 53% and 21% of Fidelix's 2020 net sales, respectively, based on Fidelix's management accounts and before intragroup eliminations). Fidelix's BMS and IMD services allow for close collaboration with its customers throughout the life-cycle of their projects, whether through the development of solutions, assistance during the design and engineering phases, installation of the Fidelix products (in Finland) or the management of the building after the project's completion.

Products and cloud services

Fidelix's BMS offers hardware and software products to create systems that allow for reliable monitoring of commercial buildings (including the monitoring of multiple systems and buildings through its centralized monitoring solution). The BMS system collects data from various sensors (such as temperature, humidity and carbon dioxide) and controls different processes in the building (such as ventilation, heating and cooling), using a purpose-built computer that is usually located in the technical room of the building. Fidelix also offers more advanced optimizations through cloud-based diagnostics and energy optimization solutions.

Products are sold either to Fidelix's projects business (its largest single source of product sales) or through its network of Finnish or Swedish system integrator partners, while its cloud services are offered directly to end-customers that have a Fidelix BMS in place. Although Fidelix's products and cloud services are offered in both the Finnish and Swedish markets, its systems have been exported to other countries through Fidelix's system integrator partners.

Projects and maintenance

Through its project business offering, Fidelix offers a turn-key BMS service, which includes project management, technical design services, sourcing of hardware and software and programming and installation services. The project business serves as a route-to-market channel for Fidelix's own BMS hardware and software

products. Fidelix also offers an after-market services for its BMS, including on-site maintenance, system improvement and development services, sales and installation of additional components and upgrades and long-term service contracts.

Fidelix's turn-key BMS service is offered through participants in the new building construction markets that hire Fidelix for the relevant project (such as building automation designers, project management consultants, general contractors or HVAC contractors). Its aftermarket services, however, are offered directly to the building owners. These project and maintenance services are offered in Finland.

IMD

Fidelix offers IMD solutions through its EcoGuard products and systems. These systems, which are typically installed in the apartments and in the building's technical rooms, collect and communicate data to CURVES, the cloud-based IoT platform. The cloud software collects all the data for visualization, analysis, regulating energy consumption and individual debiting. In addition to providing tools for individual metering and debiting to assist residential building owners in managing their residential property portfolios, access to CURVES can be used to reduce energy and water consumption and costs of tenant services and maintenance, as well for security purposes (such as leak and smoke detections).

EcoGuard products and systems are offered in Sweden, with sales primarily made to customers in the residential renovation sector, as well as to residential building owners that have Fidelix systems in place.

In 2019, Fidelix acquired a 40% stake in Lansen Sytems AB ("Lansen"), a Swedish manufacturer of wireless and battery driven connected indoor climate and security sensors. This has enhanced its sub-metering and wireless solution capabilities, as well as provided Fidelix with access to the smart-home market in Sweden and Finland. Lansen products are expected to be sold through EcoGuard and Fidelix and to other European IMD specialists.

Overview of Fidelix Financial Performance

Fidelix has achieved solid financial performance in recent years. According to Fidelix's management accounts, for the year ended September 30, 2020, Fidelix had reported net sales, net profit, EBITDA and EBITDA margin of €45.5 million, €2.3 million, €6.1 million and 13.4%, respectively. Growth in reported net sales since 2017 have been driven by both organic growth and acquisitions (including the acquisition of EcoGuard in April 2019). Although a one-off provision in 2018 relating to an accounting methodology adjustment caused reported EBITDA to decrease in 2018 (as compared to 2017), Fidelix's successfully grew reported EBITDA in 2019 and 2020. Similarly, double-digit reported EBITDA margins have fluctuated between 2017 and 2020, with the one-off provision in 2018 and investments in personnel in 2020 depressing strong margins.

Fidelix has demonstrated strong cash flow generative growth, with free cash flow and cash conversion of €5.6 million and 91.1%, respectively, for the year ended September 30, 2020. Fidelix's operational model does not require significant capital expenditures, which amounted to €1.2 million for the year ended September 30, 2020 (according to Fidelix's management accounts and excluding acquisition and financing related items accounted for in capital expenditures). Although Fidelix's capital expenditures have increased since 2017, the majority of this increase relates to research and development projects, such as the development of a new operating platform and EcoGuard's development projects. Net working capital changes vary depending on the working capital requirements of Fidelix's BMS projects, which tend to tie up working capital given that a large portion of the payment is received at the completion of the project. According to Fidelix's management accounts, Fidelix's net working capital was €3.6 million as of September 30, 2020 (representing a negative net working capital change of €0.6 million for the year ended September 30, 2020).

Rationale for Fidelix Acquisition

Fidelix's business strengthens and complements our offering and accelerates our development journey.

The Fidelix Acquisition provides us with a market-leading position within the building automation market. This fits directly in our strategy to organize according to technical disciplines with potential cross-sales synergies. Moreover, the addition of a critical mass in BMS technical competence supports our long-term position. It also provides a platform for further acquisition-led growth, especially given Fidelix's track-record of successful bolt-on acquisitions that have complemented its organic growth.

We believe Fidelix will be accretive to us in light of the increased exposure to an attractive part of the resilient installation market given Fidelix's digitalization capabilities. In particular, we expect the Fidelix Acquisition will provide a further platform for growth by increasing our exposure to a growing technical discipline, which addresses certain key sustainability areas for businesses that we expect to be integrated in many future projects, with a focus on areas such as energy efficiency, digitalization and health, and which is also backed by the regulatory emphasis on increased sustainability. Fidelix will also add to our overall market presence in Finland, enabling our overall Finnish operation to reach a critical mass.

Fidelix's operations are also expected to enhance our overall margin profile by adding a relatively high-margin business to the Group. Fidelix has a strong track record of double-digit margins. Its large and growing installed base, which includes an installed base of approximately 11,000 in residential buildings in Sweden through Fidelix's EcoGuard products, further profitability through its aftermarket and cloud businesses, including through CURVES, the cloud-based IoT platform. We believe that Fidelix's recent positive financial performance can continue in the near-term, particularly given its strong market position and focus on renovation projects. Fidelix's solid free cash flow conversion driven by relatively low capital expenditure requirements and focus on net working capital efficiency is also consistent with the Group's operations. Fidelix also offers a diversified customer base, with exposure to different project sizes, including renovation and public sector projects. This diversification is expected to increase further over time given Fidelix's IMD services.

The Fidelix Acquisition also brings additional digitalization capabilities across the Group, which we expect to be a driver as we focus on the next-generation of installation across all of our business areas. We also believe that there is a strong cultural fit with Fidelix's management given their focus on technical competence and similar decentralized philosophy. For example, Fidelix's in-house research and development team has developed and introduced multiple successful technologies over the years. Likewise, our lean and tested support functions will allow Fidelix to improve in terms of reporting and internal control in a more rapid and cost efficient manner.

Recent Developments

Bolt-on Acquisitions

Since October 1, 2020, we have completed the acquisitions of an additional thirteen companies in Sweden, Norway and Finland and across each of our business areas, including four in Electrical, four in Heating and Sanitation, three in Finland and one in each of Norway and Ventilation. These companies have a total of over 270 employees and estimated aggregated annual revenue of over SEK 450 million. These acquisitions were made through share and asset purchases for an aggregate cash consideration of approximately SEK 310 million, of which SEK 300 million has been paid as of the date hereof and SEK 10 million will be payable at a later date under the terms of the relevant acquisition agreements. Furthermore, up to SEK 80 million of additional variable cash consideration in respect of these acquisitions is payable over the next three years. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Acquisitions.*"

Trading Update

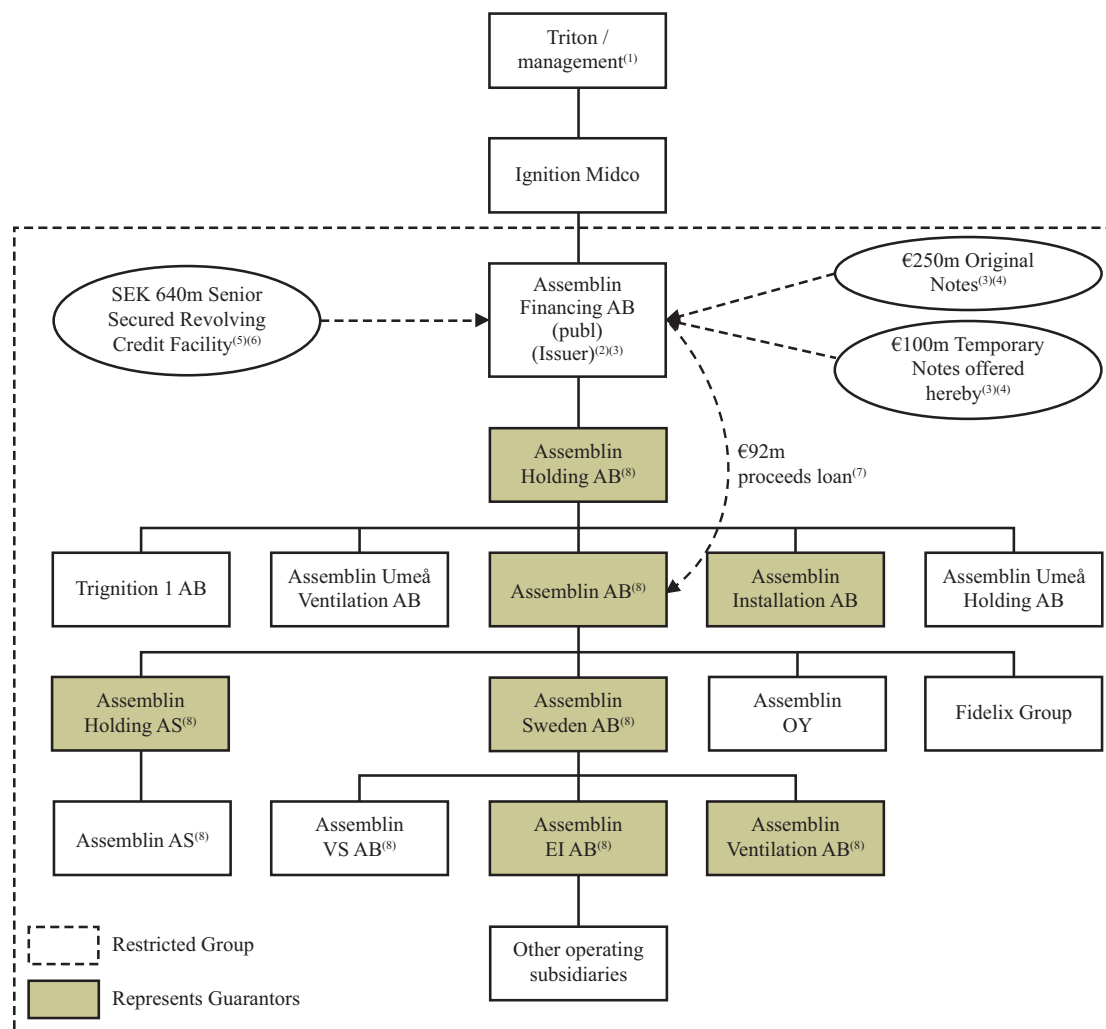
Based on preliminary results from our unaudited management accounts for the year ended December 31, 2020, and other information currently available, we estimate that our net revenue will remain stable, as compared to net revenue of SEK 9,978 million for the year ended December 31, 2019. Estimated net revenue growth from acquisitions was offset by negative organic growth, which was primarily attributable to the closure of a number of unprofitable units in late 2019, in combination with enhanced production in several major projects during that time. Despite stable estimated net revenue, we estimate that Adjusted EBITA will increase, as compared to Adjusted EBITA of SEK 516 million for the year ended December 31, 2019 and for Adjusted EBITA Margin to improve as compared to the Adjusted EBITA Margin of 5.2% for the year ended December 31, 2019, driven by measures to enhance profitability that were taken in late 2019 through our accelerated profitability program, in combination with profitable acquisitions.

The above information relating to our current performance is derived from our internal management accounts. Our management accounts are produced by financial reporting systems that we use as the basis of preparation for our annual results at the end of each fiscal year. This information has been prepared by management. It has neither been audited, reviewed, verified or subject to any procedures by our auditors nor been approved by our Board of Directors, and you should not place undue reliance on it. This information should not be considered

indicative of our future results. This preliminary indication is based on management's initial review of our results of operations and is subject to change. See "*Information Regarding Forward-Looking Statements*," "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" for a discussion of certain of the factors that could affect our future performance and results of operation.

CORPORATE STRUCTURE AND CERTAIN FINANCING ARRANGEMENTS

The following diagram presents our simplified corporate structure and principal outstanding financing arrangements after giving effect to the Transactions, including the Fidelix Acquisition. Percentages shown in the diagram below refer to percentage ownership. All entities shown below are 100% owned (ignoring any *de minimis* shareholdings) unless otherwise indicated. For more information, see “Description of Certain Financing Arrangements” and “Description of the Notes.”



Notes:

- (1) Triton and our management indirectly own the entire share capital of the Issuer through Midco. For a description of our shareholders, see “Principal Shareholders.”
- (2) The Issuer has no revenue generating operations and no assets or liabilities other than the Notes, the Super Senior Facilities and the shares in Assemblin Holding AB. See “Risk Factors—Risks Related to the Notes and the Collateral—The Issuer has no revenue generating operations of its own and will depend on cash flows from operating companies to make payments on the Notes.”
- (3) The Temporary Notes will be issued by the Issuer under the Temporary Indenture. On or about the Completion Date, the Temporary Notes will be automatically exchanged for an equal aggregate principal amount of Additional Notes. The Additional Notes will be issued as additional notes under the Indenture (pursuant to which the Issuer issued the Original Notes). The Temporary Notes will have the same terms as the Original Notes, except as described herein. The Temporary Notes will trade separately from the Original Notes, will have different ISIN/common code numbers than the Original Notes and will not be fungible with the Original Notes. The Additional Notes will have the same terms as the Original Notes and will be treated as a single class together with the Original Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. After giving effect to the issuance of the Additional Notes, the aggregate principal amount of Notes outstanding under the Indenture will be €350.0 million.
- (4) The Original Notes are, and the Temporary Notes and the Additional Notes will be, senior obligations of the Issuer. The Original Notes rank, and the Temporary Notes and the Additional Notes will rank, equal in right of payment with all existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Notes, including the obligations of the Issuer under the Super Senior Facilities Agreement, and rank or will rank, as applicable, senior to all of the Issuer’s future indebtedness that is subordinated in right of payment to the Notes.

The Temporary Notes will not be guaranteed. On the Issue Date, the obligations of the Issuer pursuant to the Temporary Notes will be secured by a first-priority pledge over the Escrow Account Charge.

The obligations of the Issuer pursuant to the Original Notes are, and upon the Temporary Notes Exchange, the obligations of the Issuer pursuant to the Additional Notes will be, guaranteed, jointly and severally on a senior basis, by each subsidiary of the Issuer that is a guarantor under the Revolving Credit Facility. See footnote (8) below. The Original Notes are, and upon the Temporary Notes Exchange, the Additional Notes will be, secured by a first-priority security interest in the same assets that secure the Issuer's and Guarantors' obligations under the Revolving Credit Facility, subject to certain agreed security principles and agreed exceptions. See footnote (5) below and "*The Offering—Guarantees*" and "*The Offering—Security*."

- (5) The Issuer entered into the Super Senior Facilities Agreement on December 2, 2019, which provides for an initial SEK 450 million Revolving Credit Facility. The Issuer expects to increase the size of the Revolving Credit Facility by SEK 190 million on the Completion Date through the provision of an additional revolving facility and additional facility commitments thereunder, subject to the satisfaction of certain conditions.

The Issuer is the initial borrower of the Revolving Credit Facility. The Revolving Credit Facility is guaranteed on a senior basis by the same guarantors and is secured on a first-priority basis over the same Collateral securing the Notes and certain hedging obligations. See "*Description of Certain Financing Arrangements—The Super Senior Facilities*."

- (6) The Revolving Credit Facility is part of the Super Senior Facilities which also include an initial SEK 200 million Guarantee Facility and an initial SEK 240 million Pension Guarantee Facility. In accordance with the requirements of the pension administrator, we have been required to increase the amount of our bank guarantee in respect of the Group's defined benefit pensions obligations by SEK 45 million. Further to a consent and amendment request granted in December 2020, such increase was initially incurred under the Guarantee Facility's existing capacity. We expect to ultimately incur the additional SEK 45 million under the Pension Guarantee Facility once we have increased the commitments under the Pension Guarantee Facility by a corresponding amount, as permitted to be increased under the terms of the Pension Guarantee Facility Agreement (and to cancel the amount initially incurred under the Guarantee Facility). See "*Description of Certain Financing Arrangements—The Super Senior Facilities—Overview and structure*."

The Holders of the Original Notes and the Additional Notes will receive proceeds from enforcement of the Collateral and certain distressed disposals only after any obligations under all obligations under the Super Senior Facilities, including obligations under the Revolving Credit Facility, the Guarantee Facility and the Pension Guarantee Facility, as well as certain Hedging Obligations (if any), have been repaid in full. See "*Description of Certain Financing Arrangements—The Super Senior Facilities*."

- (7) On or about the Completion Date, part of the proceeds from the Offering will be downstreamed to Assemblin AB in order to pay the cash consideration in connection with the Fidelix Acquisition. See "*Use of Proceeds*."
- (8) The obligations of the Issuer pursuant to the Original Notes are, and upon the Temporary Notes Exchange, the obligations of the Issuer pursuant to the Additional Notes will be, guaranteed, jointly and severally on a senior basis, by each subsidiary of the Issuer that is a guarantor under the Revolving Credit Facility, including Assemblin Holding AB, Assemblin AB, Assemblin Sweden AB, Assemblin Holding AS, Assemblin El AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin Installation AB and Assemblin AS. As of and for the twelve months ended September 30, 2020, the Guarantors represented 90% of our net revenues, 88% of our EBITDA and over 100% of our assets (other than goodwill and shares in subsidiaries), in each case, calculated on a stand-alone basis without giving effect to intergroup eliminations.
- (9) Within 60 business days following the Completion Date, the Original Notes and the Additional Notes will be secured by the issued Capital Stock of Fidelix, subject to certain agreed security principles and agreed exceptions.

THE OFFERING

The following summary of this Offering contains basic information about the Temporary Notes, the Additional Notes, the Notes Guarantees and the Collateral. It is not intended to be complete and is subject to important limitations and exceptions. For additional information regarding the Notes, the Notes Guarantees and the Intercreditor Agreement, including certain definitions of terms used in this summary, see “*Description of the Temporary Notes*,” “*Description of the Notes*” and “*Description of Certain Financing Arrangements—Intercreditor Agreement*.”

Issuer Assemblin Financing AB (publ).

Notes Offered €100.0 million aggregate principal amount of temporary Senior Secured Floating Rate Notes due 2025 issued by the Issuer under the Temporary Indenture. The Temporary Notes will have the same terms as the Original Notes, except as described herein. See “*Description of the Temporary Notes*.” The Temporary Notes will trade separately from the Original Notes, will have different ISIN/common code numbers than the Original Notes and will not be fungible with the Original Notes.

On or about the Completion Date, the Temporary Notes will be automatically exchanged for an equal aggregate principal amount of Additional Notes. The Additional Notes will be issued as additional notes under the Indenture (pursuant to which the Issuer issued the Original Notes). The Additional Notes will have the same terms as the Original Notes and will be treated as a single class together with the Original Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. After giving effect to the issuance of the Additional Notes, the aggregate principal amount of Notes outstanding under the Indenture will be €350.0 million.

Issue Date On or about February 11, 2021.

Issue Price 100.000% (plus accrued interest, if any, from December 15, 2020, to, but excluding, the Issue Date).

Maturity Date May 15, 2025.

Interest The Temporary Notes and the Additional Notes will bear interest at a rate per annum, reset quarterly, equal to three-month EURIBOR (which shall, in any event, not be less than 0%), plus a margin of 5%.

Interest Payment Dates Interest on the Temporary Notes and the Additional Notes will be payable quarterly in arrear on March 15, June 15, September 15 and December 15 of each year, commencing on March 15, 2020. Interest on the Temporary Notes and the Additional Notes will accrue from December 15, 2020.

Form of Denomination Each Temporary Note and Additional Note will have a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof maintained in book-entry form. Temporary Notes and Additional Notes in denominations of less than €100,000 will not be available.

Ranking of the Temporary Notes The Temporary Notes will:

- be general senior obligations of the Issuer;

- be secured by a as set forth under “—*Security*” on a first-priority basis by a pledge over the Escrow Account Charge;
- rank *pari passu* in right of payment with all of the Issuer’s existing and future indebtedness that is not subordinated in right of payment of the Temporary Notes, including any indebtedness under the Super Senior Facilities, the Original Notes, hedging obligations and certain other indebtedness permitted to be incurred under the Temporary Indenture and the Indenture;
- rank senior in right of payment to all existing and future subordinated indebtedness of the Issuer;
- be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Temporary Notes, to the extent of the value of the property or assets securing such indebtedness; and
- not be guaranteed and will be structurally subordinated to any existing and future indebtedness of subsidiaries of the Issuer, including obligations to trade creditors.

Ranking of the Additional Notes The Additional Notes will:

- be general senior obligations of the Issuer;
- be secured as set forth under “—*Security*” on a first-priority basis along with the obligations under the Super Senior Facilities (which includes the Pension Guarantee Facility and the Guarantee Facility), the Original Notes and certain hedging obligations; however, holders of the Original Notes and the Additional Notes will receive proceeds from the enforcement of the Collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Super Senior Facilities and certain hedging obligations, have been repaid in full;
- rank *pari passu* in right of payment with all of the Issuer’s existing and future indebtedness that is not subordinated in right of payment of the Additional Notes, including any indebtedness under the Super Senior Facilities, the Original Notes, hedging obligations and certain other indebtedness permitted to be incurred under the Indenture;
- rank senior in right of payment to all existing and future subordinated indebtedness of the Issuer;
- be effectively subordinated to any existing and future indebtedness of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of the property or assets securing such indebtedness; and
- be structurally subordinated to any existing and future indebtedness of subsidiaries of the Issuer that do not guarantee the Notes, including obligations to trade creditors.

Notes Guarantees From the Issue Date until the occurrence of the Temporary Notes Exchange, the Temporary Notes will be unguaranteed senior obligations of the Issuer.

Upon the Temporary Notes Exchange, the obligations of the Issuer pursuant to the Additional Notes will be guaranteed, jointly and severally on a senior basis, by Assemblin Holding AB, Assemblin AB, Assemblin Sweden AB, Assemblin Holding AS, Assemblin El

AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin Installation AB and Assemblin AS (together, the “Guarantors”). Each of the Guarantors is also a guarantor under the Super Senior Facilities (which includes the Pension Guarantee Facility and the Guarantee Facility) and the Original Notes. The validity and enforceability of the Notes Guarantees are subject to significant limitations as described in *“Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests.”*

As of and for the twelve months ended September 30, 2020, the Guarantors represented 90% of our net revenues, 88% of our EBITDA and over 100% of our assets (other than goodwill and shares in subsidiaries), in each case, calculated on a stand-alone basis without giving effect to intergroup eliminations. On an as adjusted basis after giving effect to the Transactions as of September 30, 2020, the subsidiaries of the Issuer that will not guarantee the Original Notes and the Additional Notes would have had less than SEK 10 million outstanding financial indebtedness.

Certain financial data with respect to our Guarantors has been derived from accounting statements for the Guarantors, which are prepared in accordance with the Swedish accounting standards, and not IFRS, which is the basis of preparation for our financial statements. See *“Presentation of Financial and Other Data—Financial data for the Guarantors.”*

Ranking of the Notes Guarantees The Notes Guarantee of each Guarantor in respect of the Additional Notes will:

- be senior obligations of the Guarantor;
- be secured as set forth under “—Security” on a first-priority basis along with the obligations under the Super Senior Facilities (which includes the Pension Guarantee Facility and the Guarantee Facility), the Original Notes and certain hedging obligations; however, holders of the Original Notes and the Additional Notes will receive proceeds from the enforcement of the Collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Super Senior Facilities and certain hedging obligations, have been repaid in full;
- rank *pari passu* in right of payment with all of the Guarantor’s existing and future senior indebtedness that is not subordinated in right of payment to its Notes Guarantee, including any indebtedness under the Super Senior Facilities and the Original Notes;
- rank senior in right of payment to all existing and future subordinated indebtedness of the respective Guarantor;
- be structurally subordinated to all existing and future obligations of such Guarantor’s subsidiaries that are not also Guarantors;
- be effectively senior to any existing and future indebtedness of each Guarantor that is not secured by the Collateral owned by such Guarantor, to the extent of the value of such Collateral; and
- be effectively subordinated to any existing and future indebtedness of each Guarantor that is secured by property or assets that do not secure the Notes Guarantees on an equal basis, to the extent of the value of the property or assets securing such indebtedness.

The Notes Guarantees will be subject to release under certain circumstances. See “*Description of the Notes—Guarantees.*”

Security

On the Issue Date, the Temporary Notes will be secured by a first-priority security interest consisting of a pledge by the Issuer over the Escrow Account (the “Escrow Account Charge”).

The Original Notes are, and upon the Temporary Notes Exchange, the Additional Notes will be, secured by the following first-priority security interests, subject to certain agreed security principles and agreed exceptions:

- the issued Capital Stock of the Issuer;
- the issued Capital Stock of the Initial Guarantors;
- certain long-term material intra-Group loans (in respect of which the Issuer or an Initial Guarantor is a creditor), with a final maturity date or intended tenor in excess of twelve months and with a principal amount in excess of €10 million (or its equivalent in other currencies) in aggregate to a member of the Group as debtor (if any);
- existing and future shareholder loans owed by the Issuer to the Parent, any Shareholder Creditor (as defined in the Intercreditor Agreement) or any Sponsor Affiliate (as defined in the Intercreditor Agreement) (if any), provided, however, that in respect of the pledge agreement entered into on or before the Original Issue Date in respect of future shareholder loans, only the Parent entered into such pledge agreement and each Shareholder Creditor and/or Sponsor Affiliate shall only enter into such pledge agreement prior to granting any shareholder loans to the Issuer;
- the Issuer’s and the Initial Guarantors’ material operating bank accounts (but excluding any escrow, cash collateral, blocked and pooling accounts, accounts in connection with any receivables financing (including discounting or factoring or similar), any guarantee or letter of credit financing, or similar) (if any); and
- certain business mortgages (not resulting in stamp duties or similar) in the Initial Guarantors,

(together, the “Completion Date Collateral”).

Within 60 business days of the Completion Date, the Additional Notes will be secured by the issued Capital Stock of Fidelix, subject to certain agreed security principles and agreed exceptions (the “Post-Completion Date Collateral” and, together with the Completion Date Collateral, the “Collateral”).

The liens and security interests securing the Additional Notes may be released under certain circumstances. See “*Description of the Notes—Security.*”

**Escrow of Proceeds; Special
Mandatory Redemption**

Pending the consummation of the Fidelix Acquisition, the Initial Purchasers will, concurrently with the issuance of the Temporary Notes on the Issue Date, deposit with the Escrow Agent an amount equal to the gross proceeds of the Offering sold on the Issue Date into the Escrow Account. The Escrow Account will be controlled by the Escrow Agent. The Escrow Account, together with the Escrowed

Property, will be pledged on a first-priority basis in favor of the Temporary Trustee or the Security Agent for the benefit of the holders of the Temporary Notes, pursuant to the Escrow Account Charge. Upon delivery to the Temporary Trustee and the Escrow Agent of an officer's certificate stating that the conditions to the release of the proceeds from escrow are satisfied, the escrowed funds will be released to the Issuer and utilized as described in "*The Transactions*," "*Use of Proceeds*" and "*Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption*."

In the event that (a) the Release does not take place on or prior to the Escrow Longstop Date, (b) in the reasonable judgment of the Issuer, the Fidelix Acquisition will not be consummated on or prior the Escrow Longstop Date or the Issuer or one of its subsidiaries has announced its intention to abandon the Fidelix Acquisition, (c) the Fidelix Acquisition Agreement terminates at any time prior to the Escrow Longstop Date or (d) there is an Event of Default resulting from certain events of bankruptcy, insolvency or court protections of the Issuer (the date of any such event being the "Special Termination Date"), the Issuer will redeem all of the Temporary Notes (the "Special Mandatory Redemption") at a price (the "Special Mandatory Redemption Price") equal to 100% of the aggregate issue price of the Temporary Notes, plus accrued but unpaid interest, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). See "*Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption*" and "*Risk Factors—Risks Related to the Fidelix Acquisition—If the conditions to the release of the proceeds of the Offering set forth in the Escrow Agreement are not satisfied, the Temporary Notes will be redeemed and you may not get the return you expect on the Temporary Notes*."

Intercreditor Agreement

Pursuant to the Intercreditor Agreement, the first-priority security interests securing the Additional Notes upon the Temporary Notes Exchange will contractually deemed to rank equally with the security interests that secure (but only to the extent that such security is expressed to secure those liabilities) (i) obligations under the Super Senior Facilities (which includes the Pension Guarantee Facility and the Guarantee Facility), (ii) certain obligations under hedging arrangements and (iii) certain other future indebtedness and obligations permitted to be incurred under the Indenture. Such security interests are, or will be, evidenced by security documents for the benefit of (whether directly or through the Security Agent) the holders of the Additional Notes, the lenders under the Super Senior Facilities and/or the holders of certain other future indebtedness or obligations permitted to be incurred under the Indenture. Under the terms of the Intercreditor Agreement, subject to certain conditions, in the event of acceleration of the Super Senior Facilities or the Additional Notes, amounts recovered in respect of the Additional Notes, including from the enforcement of the Collateral, will be required to repay indebtedness in respect of the Super Senior Facilities, certain future indebtedness and obligations permitted under the terms of the Indenture and the Intercreditor Agreement to rank *pari passu* with the Super Senior Facilities and future hedging obligations (if any) in priority to the Additional Notes, following the payment of fees and expenses of the agent under the Super Senior Facilities, the Trustee and the Security Agent (and any receiver or

delegate) and any fees and expenses of any other creditor representative of future indebtedness permitted under the terms of the Indenture to benefit from such security interests.

The Security Agent may refrain from enforcing the relevant security unless instructed by the relevant Instructing Group (as defined in the Intercreditor Agreement). The relevant Instructing Group or such other class of creditors as specified by the Intercreditor Agreement may, under certain conditions, be entitled to instruct the Security Agent to enforce the relevant security subject to, and in accordance with, the provisions of the Intercreditor Agreement. In the event of conflicting instructions, the Intercreditor Agreement contains provisions as to which set of instructions will prevail. See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*”

Additional Amounts

Any payments made by the Issuer or any Guarantor with respect to the Notes or the Notes Guarantees will be made without withholding or deduction for or on account of taxes unless required by law. If the Issuer or the Guarantors are required by law to withhold or deduct amounts for or on account of tax imposed by a relevant taxing jurisdiction with respect to a payment to the holders of Notes, the Issuer or the relevant Guarantor will, subject to certain exceptions, pay the additional amounts necessary so that the net amount received by the holders of the Notes after the withholding or deduction is not less than the amount that they would have received in the absence of the withholding or deduction. See “*Description of the Notes—Withholding Taxes.*”

Use of Proceeds

On or about the Completion Date, we expect to use the gross proceeds of the Offering, together with the proceeds from the Sponsor Investment, to (a) finance the cash consideration payable to the Sellers in connection with the Fidelix Acquisition (including the purchase price, certain other purchase price adjustments under the Fidelix Acquisition Agreement and the repayment of certain debt of the Target), (b) pay transaction costs associated with the Transactions and (c) fund cash on balance sheet, including potential acquisitions. See “*Use of Proceeds.*”

Optional Redemption

The Issuer will be entitled at its option to redeem all or a portion of the Notes at the applicable redemption prices set forth under the heading “*Description of the Notes—Optional Redemption,*” plus accrued and unpaid interest to, but excluding, the redemption date.

Optional Redemption for Tax

Reasons

In the event of certain developments affecting taxation which cause the Issuer to pay additional amounts, the Issuer may redeem the relevant Notes in whole, but not in part, at any time, at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but excluding, the date of redemption. See “*Description of the Notes—Redemption for Taxation Reasons.*”

Change of Control

Upon the occurrence of certain events defined as constituting a change of control, the Issuer may be required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101% of the principal amount thereof plus accrued and unpaid interest to the date of purchase.

Certain Covenants	<p>The Indenture, among other things, restricts, and the Temporary Indenture that will govern the Temporary Notes, among other things, will restrict, the ability of the Issuer and the restricted subsidiaries of the Issuer to:</p> <ul style="list-style-type: none"> ● incur or guarantee additional indebtedness and issue certain preferred stock; ● create or incur certain liens; ● make certain payments, including dividends or other distributions, with respect to the shares of the Issuer; ● prepay or redeem subordinated debt or equity; ● make certain investments; ● create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Issuer or its restricted subsidiaries; ● sell, lease or transfer certain assets including stock of restricted subsidiaries; ● engage in certain transactions with affiliates; ● consolidate or merge with other entities; and ● impair the relevant security interests for the benefit of the holders of the Notes. <p>Each of these covenants is subject to significant exceptions and qualifications. See “<i>Description of the Notes—Certain Covenants.</i>”</p>
Transfer Restrictions	<p>The Temporary Notes, the Additional Notes and the Notes Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction and are subject to restrictions on transferability and resale. See “<i>Transfer Restrictions.</i>” We have not agreed to, or otherwise undertaken to, register the Temporary Notes or the Additional Notes (including by way of an exchange offer) with the U.S. Securities and Exchange Commission.</p>
No Prior Market	<p>The Temporary Notes and the Additional Notes will be new securities for which there is currently no established trading market. Although the Initial Purchasers have advised us that they intend to make a market in the Temporary Notes and the Additional Notes, they are not obligated to do so and they may discontinue market making at any time without notice. Accordingly, there can be no assurance that an active trading market will develop for the Temporary Notes or the Additional Notes.</p>
Listing	<p>Application will be made to the Authority for the listing of and permission to deal in the Temporary Notes and the Additional Notes on the Official List of the Exchange. There can be no assurance, however, that the Temporary Notes or the Additional Notes will be listed on the Official List of the Exchange, that such permission to deal in the Temporary Notes or the Additional Notes will be granted or that such listing will be maintained.</p>
Governing Law	<p>The Indenture is, and the Temporary Indenture, the Temporary Notes and the Additional Notes will be, governed by the laws of the State of New York. The Intercreditor Agreement is, and the Escrow Agreement will be, governed by the laws of England and Wales. The Escrow Account Charge will be governed by the laws of Sweden. Each Security Document is or will be governed by applicable local laws.</p>

Temporary Trustee	Deutsche Trustee Company Limited.
Trustee	Deutsche Trustee Company Limited.
Escrow Agent	Nordea Bank Abp, filial i Sverige.
Security Agent	Deutsche Bank AG, London Branch.
Paying Agent	Deutsche Bank AG, London Branch.
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Calculation Agent	Deutsche Bank AG, London Branch.
Listing Agent	Carey Olsen Jersey LLP.
Risk Factors	Investing in the Temporary Notes or the Additional Notes involves substantial risks. See the “ <i>Risk Factors</i> ” section of this offering memorandum for a more complete description of certain risks that you should carefully consider before investing in the Temporary Notes or the Additional Notes.

SUMMARY COMBINED FINANCIAL AND OTHER INFORMATION

The following summary combined financial information of Group as of and for the years ended December 31, 2019, 2018, and 2017 have been derived from the Audited Combined Financial Statements included elsewhere in this offering memorandum.

The following summary condensed financial information of the Group as of and for the nine months ended September 30, 2020 and 2019, have been derived from the Unaudited Condensed Interim Financial Statements included elsewhere in this offering memorandum.

The Financial Statements have been prepared as combined financial statements. The combined financial information has been prepared as combined financial statements in a way of illustrating financial information for a group of entities that are not a legal group but are ultimately owned by the same party. The combined financial information represents the group of entities that became the legal Assemblin Financing Group at the end of 2019.

From January 1, 2019, we apply IFRS 16 Leases which has an impact on our reported statements of profit or loss, financial position and presentation of cash flow. In implementing IFRS 16, we selected the modified retrospective approach as the transition method. As a result, the Unaudited Condensed Interim Financial Statements and the 2019 financial information contained in the Audited Combined Financial Statements are prepared after implementing IFRS 16, and the 2018 and 2017 financial information contained in the Audited Combined Financial Statements is prepared prior to the implementation of IFRS 16. The comparison figures for 2018 and earlier periods have not been restated, and are thus not directly comparable where there are differences caused by the implementation of IFRS 16. See Note 1 to the Audited Combined Financial Statements.

The unaudited condensed statement of comprehensive income information and the other financial information presented for the twelve months ended September 30, 2020 have been derived by subtracting from the financial information of the audited combined financial statements as of December 31, 2019 the comparative financial information of the unaudited condensed interim financial statements for the nine months ended September 30, 2019, and adding the financial information of the unaudited condensed interim financial statements for the nine months ended September 30, 2020.

The unaudited condensed statement of comprehensive income information and the other financial information presented for the twelve months ended September 30, 2020 have been prepared for illustrative purposes only and are not necessarily representative of our results of operations for any future period or our financial condition at any future date. In particular, the unaudited financial information for the twelve-month period ended September 30, 2020 is not necessarily indicative of the results that may be expected for the year ended December 31, 2020 and should not be used as the basis for or prediction of an annualized calculation. This data has been prepared solely for the purpose of this offering memorandum, is not prepared in the ordinary course of our financial reporting.

The unaudited as adjusted and *pro forma* combined financial information presented in this section has been prepared to illustrate the effect of the Transactions and certain other adjustments on certain combined financial information as of and for the twelve-month period ended September 30, 2020. The information, which has been produced for illustrative purposes only, by its nature addresses a hypothetical situation and, therefore, does not represent the Group's actual financial position or results, nor do they purport to project our financial position at any future date or our results of operations for any future period. The actual results may differ significantly from those reflected in the as adjusted and *pro forma* combined financial information for a number of reasons, including, but not limited to, differences in assumptions used to prepare the as adjusted and *pro forma* combined financial information.

The Group's combined financial information and other data should be read in conjunction with the information contained in "Use of Proceeds," "Capitalization," "Selected Consolidated and Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements included elsewhere in this offering memorandum.

Summary combined statement of profit or loss and other comprehensive income data

	Year ended December 31			Nine months ended September 30		Twelve months ended September 30
	2017	2018	2019	2019	2020	2020
	(SEK millions)					
Net revenue	8,169	8,885	9,978	7,122	7,277	10,133
Cost for production	(6,666)	(7,186)	(8,131)	(5,828)	(6,018)	(8,321)
Gross profit	1,503	1,699	1,848	1,295	1,259	1,812
Sales and administrative expenses	(1,388)	(1,285)	(1,595)	(1,026)	(965)	(1,534)
Share of profit of equity-accounted investees	—	1	—	0	0	0
Operating profit	115	414	252	268	294	278
Financial income	4	7	59	30	20	49
Financial expenses	(146)	(201)	(179)	(89)	(167)	(257)
Net financial items	(142)	(193)	(120)	(59)	(146)	(207)
Profit/(loss) before tax	(27)	220	133	209	147	71
Tax	50	(77)	(40)	(47)	(35)	(28)
Profit for the year/period	22	143	92	162	112	42

Summary combined statement of financial position data

	As of December 31			As of September 30
	2017	2018	2019	2020
	(SEK millions)			
Assets				
Goodwill	2,340	2,411	2,640	2,773
Other intangible fixed assets	5	9	22	17
Right-of-use assets	—	—	693	675
Property, plant and equipment	307	402	95	87
Equity-accounted investees	0	1	—	—
Financial Investments	32	32	34	36
Long-term receivables	2	2	3	2
Deferred tax assets	130	101	134	137
Total non-current assets	2,816	2,958	3,621	3,728
Inventory	50	41	66	63
Contract assets	389	408	441	521
Tax assets	2	12	30	87
Trade receivables	1,214	1,315	1,410	1,252
Prepaid expenses and accrued income	130	170	158	82
Other receivables	100	90	109	128
Cash and cash equivalents	420	411	407	507
Total current assets	2,306	2,447	2,621	2,642
Total assets	5,122	5,405	6,242	6,370
Equity				
Share capital	0	0	1	1
Other capital contributions	366	366	366	366
Merger reserve	—	—	(992)	(992)
Reserves	(6)	5	11	(53)
Accumulated deficit	(260)	(167)	(208)	(64)
Total equity	100	204	(821)	(742)
Liabilities				
Long-term interest-bearing liabilities	2,028	1,911	2,599	2,586
Lease liabilities	—	—	583	567
Provisions for pensions	483	560	703	690
Other provisions	160	138	172	217
Deferred tax liabilities	12	4	13	17
Other non-current liabilities	—	—	5	—
Total non-current liabilities	2,683	2,613	4,075	4,078
Short-term interest-bearing liabilities	112	81	1	1
Lease liabilities	—	—	193	186
Trade payables	665	835	861	828
Tax liabilities	53	60	106	191
Contract liabilities	529	638	712	805
Other current liabilities	82	81	88	75
Accrued expenses and prepaid income	799	845	952	861
Current provision	99	49	76	86
Total current liabilities	2,339	2,588	2,988	3,033
Total liabilities	5,022	5,201	7,063	7,111
Total equity and liabilities	5,122	5,405	6,242	6,370

Summary combined statement of cash flow data

	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2017	2018	2019	2019	2020	2020
	(SEK millions)					
<i>Operating activities</i>						
Profit/loss before tax	(27)	220	133	209	147	71
Adjustments for items not included in the cash flow	263	228	484	153	220	551
Tax paid	(4)	(48)	(12)	(26)	(17)	(3)
Increase/decrease in inventory	(8)	11	(9)	(7)	2	0
Increase/decrease in operating receivables	269	(90)	(47)	43	205	115
Increase/decrease in operating liabilities	(401)	195	(65)	(271)	(148)	58
Cash flow from operating activities	92	516	485	102	409	792
<i>Investment activities</i>						
Acquisitions of subsidiaries	(11)	(63)	(211)	(103)	(152)	(260)
Disposal of subsidiaries	0	—	0	—	—	—
Acquisitions of intangible fixed assets	(8)	0	(2)	(2)	(6)	(6)
Acquisitions of property, plant and equipment	(14)	(41)	(14)	(10)	—	(4)
Disposal of property, plant and equipment	27	15	13	9	—	4
Dividend received	1	2	19	—	—	19
Changes in long term receivables	4	(1)	(1)	18	—	(19)
Cash flow from investment activities	(2)	(88)	(197)	(88)	(158)	(267)
<i>Financing activities</i>						
New share issue	—	—	0	—	—	0
Loans raised	—	1,700	2,591	—	—	2,591
Repayment of loans	(28)	(2,033)	(2,717)	0	(2)	(2,719)
Repayments, leases/finances leases	(63)	(97)	(170)	(125)	(137)	(182)
Dividend paid	—	(12)	—	—	—	—
Cash flow from financing activities	(92)	(442)	(297)	(125)	(139)	(311)
Cash flow for the period	(2)	(14)	(8)	(111)	112	215
Cash and cash equivalents at start of period	424	420	411	411	407	308
Exchange rate difference in cash and cash equivalents	(2)	5	4	8	(11)	(15)
Cash and cash equivalents at end of period	420	411	407	308	507	507

Operating Data and Non-IFRS Financial Information

The following tables show certain key financial data, non-IFRS financial and operating information:

	For the year ended December 31,			For the nine months ended September 30,		As of and for the twelve months ended September 30,
	2017	2018	2019	2019	2020	2020 ⁽¹⁾
	<i>(SEK millions, unless otherwise indicated)</i>					
Net revenue	8,169	8,885	9,978	7,122	7,277	10,133
Of which contractor assignments	5,247	5,498	6,145	4,434	4,414	6,125
Of which service assignments	2,922	3,387	3,833	2,688	2,862	4,007
Of which service assignments, %	35.8	38.1	38.4	37.7	39.3	39.5
Net revenue increase over prior period, %	—	8.8	12.3	13.2	2.2	4.3
% organic growth	—	6.9	8.3	9.4	(0.1)	1.3
Profit for the year/period	22	143	92	162	112	42
EBITA ⁽³⁾	191	418	270	280	314	304
Adjusted EBITA ⁽³⁾	251	401	516	312	365	569
Adjusted EBITDA ⁽³⁾	330	489	606 ⁽²⁾	378 ⁽²⁾	431 ⁽²⁾	659 ⁽²⁾
Adjusted EBITA Margin ⁽⁴⁾	3.1%	4.5%	5.2%	4.4%	5.0%	5.6% ⁽²⁾
Adjusted EBITDA Margin ⁽⁴⁾	4.0%	5.5%	6.1% ⁽²⁾	5.3% ⁽²⁾	5.9% ⁽²⁾	6.5% ⁽²⁾
Net Working Capital ⁽⁵⁾	(173)	(363)	(391)	(159)	(493)	(493)
Net Capital Expenditures ⁽⁶⁾	(95)	(163)	(120) ⁽²⁾	(87) ⁽²⁾	(51) ⁽²⁾	(84) ⁽²⁾
Free Cash Flow ⁽⁷⁾	93	516	514 ⁽²⁾	87 ⁽²⁾	481 ⁽²⁾	908 ⁽²⁾
Cash Conversion ⁽⁷⁾	28%	106%	85% ⁽²⁾	23% ⁽²⁾	112% ⁽²⁾	138% ⁽²⁾
Order intake ⁽⁸⁾	9,899	9,459	11,258	8,652	7,252	9,859
Order backlog ⁽⁹⁾	6,223	6,971	8,478	8,478	8,245	8,245

As of and for
the twelve
months ended
September 30,
2020⁽¹⁾

*(SEK millions,
unless otherwise
indicated)*

Pro forma and As adjusted financial data:⁽¹⁰⁾

Pro Forma Adjusted EBITDA ⁽³⁾	851 ⁽²⁾
As adjusted cash and cash equivalents ⁽¹¹⁾	433
As adjusted total net debt ⁽¹²⁾	3,595 ⁽²⁾
As adjusted interest expense ⁽¹³⁾	197
Ratio of As adjusted total net debt to Pro Forma Adjusted EBITDA	4.2x ⁽²⁾
Ratio of Pro Forma Adjusted EBITDA to As adjusted interest expense	4.3x ⁽²⁾

Notes:

- (1) The unaudited financial data for the twelve months ended September 30, 2020 has been derived by subtracting the combined financial information for the nine months ended September 30, 2019 from the combined financial information for the year ended December 31, 2019 and adding the combined financial information for the nine months ended September 30, 2020 and, where indicated, excluding the impact of IFRS 16. The financial information for the twelve months ended September 30, 2020 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations, cash flows or financial position for any future period at any future date, is not prepared in the ordinary course of our financial reporting.
- (2) Excludes the impact of IFRS 16 on the combined financial information as of and for the relevant period.
- (3) EBITA, Adjusted EBITA, Adjusted EBITDA and Pro Forma Adjusted EBITDA and other ratios derived therefrom are non-IFRS measures. We define EBITA as profit for the year/period before tax, net financial items and amortization of intangible assets. We define Adjusted EBITA as EBITA before items affecting comparability (including impairment of rights-of-use assets), which are categorized as acquisition, integration and start-up costs, restructuring costs, transformation costs and other items affecting comparability, as described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations." We define Adjusted EBITDA as Adjusted EBITA before depreciation of property, plant and equipment and right-of-use assets, and after certain lease accounting adjustments to exclude the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020. We define Pro Forma Adjusted EBITDA as Adjusted EBITDA further adjusted to reflect the pro forma EBITDA contribution of the Fidelix Acquisition, certain other acquisitions that were not consolidated for the full twelve months ended September 30, 2020 and operational cost savings initiatives that were completed by December 31, 2019. Investors should not consider

EBITA, Adjusted EBITA, Adjusted EBITDA or Pro Forma Adjusted EBITDA (a) as an alternative to operating profit/(loss) as a measure of our operating performance, (b) as an alternative to cashflow from operating and investment activities as a measure of our ability to meet cash needs or (c) as an alternative to any other measure of performance under IFRS. EBITA, Adjusted EBITA, Adjusted EBITDA and Pro Forma Adjusted EBITDA as presented in this offering memorandum may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. See “Presentation of Financial and Other Information—Presentation of Financial Information—Non-IFRS Measures.” Investors should also note that EBITA, Adjusted EBITA, Adjusted EBITDA and Pro Forma Adjusted EBITDA as presented above are calculated differently from “Consolidated EBITDA” as defined and used in the Indenture. See “Description of Notes—Certain Definitions” for a definition of “Consolidated EBITDA” in the Indenture. The following is a reconciliation of profit to EBITA, Adjusted EBITA, Adjusted EBITDA and to Pro Forma Adjusted EBITDA for the periods presented:

	For year ended December 31,			For the nine months ended September 30,		For twelve months ended September 30,
	2017	2018	2019	2019	2020	2020 ⁽¹⁾
	(SEK millions, unless otherwise indicated)					
Profit for the year/period	22	143	92	162	112	42
Tax	(50)	77	40	47	35	28
Net financial items	142	193	120	59	146	207
Amortization of intangible assets	76	3	18	10	20	27
EBITA	191	418	270	280	314	304
Acquisition, integration and start-up costs ^(a)	18	2	19	10	9	18
Restructuring costs ^(b)	15	3	171	16	34	189
Transformation costs ^(c)	9	—	24	6	—	18
Other adjustments ^(d)	19	(21)	31	0	9	40
Adjusted EBITA	251	401	516	312	365	569⁽²⁾
Depreciation of property, plant and equipment and right-of-use assets	78	88	243	146	153	250
Lease accounting adjustments ^(e)	—	—	(153)	(84)	(85)	(155)
Adjusted EBITDA	330	489	606	378	431	659⁽²⁾
Fidelix Acquisition adjustment ^(f)						80
Acquisition adjustments ^(g)						101
Operational improvement program ^(h)						11
Pro Forma Adjusted EBITDA⁽ⁱ⁾						851⁽²⁾

Notes:

- (a) Comprises (i) costs incurred in connection with certain bolt-on acquisitions, (ii) certain integration costs related to acquisitions and (iii) any net operating loss of newly set-up branches during their first twelve months of operation, during which we incur start-up costs relating to training, tooling and the ramp-up of order backlog.

Integration costs include SEK 18 million for the year ended December 31, 2017 in connection with the integration of Skanska Installation after being acquired in 2016.

Costs incurred in connection with bolt-on acquisitions include (i) SEK 2 million in connection with five acquisitions in Norway and Sweden for the year ended December 31, 2018, (ii) SEK 1 million in connection with three acquisitions in Norway and Sweden for the nine months ended September 30, 2019, (iii) SEK 5 million in connection with nine acquisitions in Norway, Sweden and Finland for the year ended December 31, 2019 and (iv) SEK 1 million in connection with seven acquisitions in Sweden for the nine months ended September 30, 2020.

For the nine months ended September 30, 2019, we incurred net operating losses of newly set-up branches of SEK 8 million, and net operating losses of SEK 14 million for the year ended December 31, 2019. For the nine months ended September 30, 2020, we incurred net operating losses of newly set-up branches of SEK 7 million.

- (b) For the year ended December 31, 2017, comprises costs relating to headcount reductions in Finland (SEK 8 million) and management severance costs (SEK 6 million).

For the year ended December 31, 2018, comprises costs related to legal restructuring.

For the nine months ended September 30, 2019, comprises costs relating to the closure of unprofitable branches and personnel redundancies (SEK 12 million) and impairment of rights-of-use assets (SEK 4 million).

For the year ended December 31, 2019, comprises costs relating to the closure of unprofitable branches and personnel redundancies (SEK 128 million) and impairment of rights-of-use assets relating to vacated premises (SEK 43 million).

For the nine months ended September 30, 2020, comprises costs relating to the closure and restructuring of branches, including personnel redundancies (SEK 26 million), as well as project-related adjustments (SEK 14 million) and income from the sale of a business in Finland (SEK 6 million).

- (c) For the year ended December 31, 2017, comprises costs incurred in connection with improvement in our IT systems.

For the nine months ended September 30, 2019 and for the year ended December 31, 2019, comprises costs incurred in connection with our brand development campaign and costs related to leadership development and to the strengthening of our internal controls systems.

- (d) For the year ended December 31, 2017, comprises an impairment in relation to our old IT systems lacking appropriate functionality.

For the year ended December 31, 2018, comprises (i) the reversal of other income from settlement of a breach of warranty claim in our favor in connection with an acquisition (SEK 25 million) and (ii) costs incurred in connection with the refinancing of certain debt facilities (SEK 4 million).

For the year ended December 31, 2019, comprises costs incurred in connection with the refinancing of certain bank facilities.

For the nine months ended September 30, 2020, comprises costs relating to the refinancing of our bank facilities with the Original Notes.

- (e) Represents adjustments made to exclude the impact of IFRS 16 on Adjusted EBITDA for the year ended December 31, 2019 and nine months ended September 30, 2019 and 2020.
- (f) Reflects management's estimate of the pro forma full twelve-month impact of the Fidelix Acquisition as if such acquisition had completed on October 1, 2019. The adjustment is based on Fidelix's historical EBITDA derived from its management accounts, as adjusted for certain non-recurring items and the estimated pro forma effect of an acquisition by Fidelix. The table below contains the reconciliation of the Fidelix reported EBITDA to the Fidelix pro forma adjusted EBITDA for the year ended September 30, 2020. Amounts in the table are based on a Bloomberg exchange rate of €1.00 to SEK 10.4933 as of September 30, 2020.

	For the year ended September 30, 2020
	<i>(SEK millions)</i>
Fidelix reported EBITDA ⁽ⁱ⁾	64
Non-recurring adjustments ⁽ⁱⁱ⁾	8
Acquisition adjustment ⁽ⁱⁱⁱ⁾	8
Fidelix pro forma adjusted EBITDA	<u>80</u>

Notes:

- (i) Derived from Fidelix's management accounts.
- (ii) Reflects Fidelix revenue/EBITDA items which were non-recurring and/or unrelated to Fidelix's operating performance (such as, for example the EBITDA impact to the reversal of a provision), as well as pro forma items relating to historical acquisitions by Fidelix.
- (iii) Represents the pro forma effect of the EBITDA of Säästölaitehuolto, which Fidelix agreed to acquire in October 2020. The pro forma adjustment is based on management information of Säästölaitehuolto for the twelve months ended September 30, 2020, as adjusted by Fidelix management for losses of a discontinued business.
- (g) Reflects management's estimate of (i) the pro forma full twelve-month impact of certain acquisitions that were completed prior to September 30, 2020 and (ii) the pro forma EBITDA contribution of certain acquisitions that were completed after September 30, 2020, in each case, as if such acquisitions had completed on October 1, 2019. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Acquisitions." The adjustments are based on each target's historical EBITDA derived from its management accounts, as adjusted for its actual contribution to our results of operations since the date of its acquisition and as further adjusted in a manner consistent with our Adjusted EBITDA to the extent applicable and the application of our accounting policies and other items.
- (h) Reflects management's estimate of the pro forma run-rate effect for the three months ended December 31, 2019 of certain operational cost savings initiatives that were implemented during, and completed by the end of, 2019, as if such operational cost savings initiatives had been completed by October 1, 2019. To deliver these cost savings, we incurred costs of approximately SEK 148 million during the last quarter of 2019 that have been categorized as restructuring costs (see footnote (b) above).
- (i) The pro forma adjustments to Adjusted EBITDA presented above are for informational purposes only and do not purport to present what our results of operations would have been, nor do they purport to project our results of operations for any future period. Moreover, the assumptions underlying the pro forma adjustments to Adjusted EBITDA presented above are based on our current estimates, and they involve risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements to be materially different from any anticipated future results, performance or achievements expressed or implied by such pro forma financial information. See "Risk Factors—Risks Related to Our Business—Anticipated pro forma adjustments to our financial information may not materialize as anticipated."
- (4) We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period and Adjusted EBITDA Margin as Adjusted EBITDA divided by net revenue for the period, expressed as a percentage.

- (5) We define Net Working Capital as the sum of inventories, net work in progress, total trade receivables, reserve for bad debt, other receivables, trade payables and other payables as of the relevant date. See “Presentation of Financial and Other Information—Presentation of Financial Information—Non-IFRS Measures.” The following is a calculation of Net Working Capital as of the dates presented:

	As of December 31,				As of September 30,	
	2016	2017	2018	2019	2019	2020
	(SEK millions, unless otherwise indicated)					
Inventories	43	50	41	66	52	63
Net work-in-progress	(76)	(140)	(230)	(271)	(92)	(284)
Contract assets	711	389	408	441	589	521
Contract liabilities	(787)	(529)	(638)	(712)	(681)	(805)
Total trade receivables	1,138	1,239	1,331	1,423	1,326	1,275
Reserve for bad debt	(30)	(25)	(17)	(11)	(10)	(22)
Other receivables	248	230	260	289	273	233
Trade payables	(530)	(665)	(835)	(861)	(818)	(828)
Other payables	(1,108)	(863)	(914)	(1,025)	(889)	(929)
Net Working Capital	(315)	(173)	(363)	(391)	(159)	(493)

- (6) We define Net Capital Expenditures as investments in intangible and tangible fixed assets, less the sales value (cash proceeds) of tangible and intangible fixed assets for the period, and including net leasing expenditures related to vehicles, which primarily relate to our car fleet. Net Capital Expenditures for year ended December 31, 2019, the nine months ended September 30, 2019 and 2020 and the twelve months ended September 30, 2020 also exclude certain lease accounting adjustments resulting from the impact of IFRS 16 on the combined financial information for such periods. See “Presentation of Financial and Other Information—Presentation of Financial Information—Non-IFRS Measures.” The following is a calculation of Net Capital Expenditures for the periods presented:

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2017	2018	2019	2019	2020	2020 ⁽¹⁾
	(SEK millions, unless otherwise indicated)					
Investment in intangible fixed assets	(8)	—	(2)	(2)	(6)	(6)
Sales value intangible fixed assets	—	—	—	—	—	—
Investment in tangible fixed assets	(14)	(41)	(14)	(10)	—	(4)
Sales value tangible fixed assets	13	15	13	9	—	4
Net capital expenditure before vehicle leases	(9)	(27)	(4)	(3)	(6)	(7)
Investment in lease assets	(112)	(159)	(150)	(123)	(65)	(92)
Sales value lease assets	27	23	21	15	20	26
Lease accounting adjustments ^(a)	—	—	13	(23)	—	(11)
Net Capital Expenditures	(95)	(163)	(120)	(87)	(51)	(84)

Note:

- (a) Represents adjustments made to exclude the impact of IFRS 16 for the relevant period.

- (7) We define Free Cash Flow as Adjusted EBITDA, less the sum of Changes in Net Working Capital and Net Capital Expenditures for the period. We define Cash Conversion as Free Cash Flow divided by Adjusted EBITDA.

Changes in Net Working Capital is defined as the sum of the increase or decrease in inventories, the increase or decrease in net work in progress, the increase or decrease in total trade receivables, the increase or decrease in reserve for bad debt, the increase or decrease in other receivables, the increase or decrease in trade payables and the increase or decrease in other payables for the relevant period. See “Presentation of Financial and Other Information—Presentation of Financial Information—Non-IFRS Measures.” The following is a calculation of Changes in Net Working Capital for the periods presented:

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2017	2018	2019	2019	2020	2020 ⁽¹⁾
	<i>(SEK millions, unless otherwise indicated)</i>					
Increase/decrease in inventories	(7)	9	(25)	(11)	3	(11)
Increase/decrease in net work-in-progress	65	90	41	(138)	13	192
<i>Increase/decrease in contract assets</i>	323	(19)	(33)	(181)	(80)	68
<i>Increase/decrease in contract liabilities</i>	(258)	109	74	43	93	124
Increase/decrease in total trade receivables	(102)	(94)	(90)	6	146	50
Increase/decrease in reserve for bad debt	(5)	(8)	(6)	(7)	12	13
Increase/decrease in other receivables	18	(30)	(29)	(13)	56	40
Increase/decrease in trade payables	136	171	26	(16)	(33)	9
Increase/decrease in other payables	(245)	52	111	(25)	(96)	40
Changes in Net Working Capital	(142)	190	28	(204)	101	333

The following is a calculation of Free Cash Flow and Cash Conversion for the periods presented:

	For the year ended December 31,		For the nine months ended September 30,		For the twelve months ended September 30,	
	2017	2018	2019	2019	2020	2020 ⁽¹⁾
	<i>(SEK millions, unless otherwise indicated)</i>					
Adjusted EBITDA^(a)	330	489	606⁽²⁾	378⁽²⁾	431⁽²⁾	659⁽²⁾
Changes in Net Working Capital	(142)	190	28	(204)	101	333
Net Capital Expenditures	(95)	(163)	(120) ⁽²⁾	(87) ⁽²⁾	(51) ⁽²⁾	(84) ⁽²⁾
Free Cash Flow	93	516	514⁽²⁾	87⁽²⁾	481⁽²⁾	908⁽²⁾
Cash Conversion (%)	28%	106%	85%⁽²⁾	23%⁽²⁾	112%⁽²⁾	138%⁽²⁾

Note:

(a) See footnote (1) for a reconciliation of profit to Adjusted EBITDA for the periods presented.

(8) We define Order intake as the revenue expected to be recognized on projects from (i) new contractual commitments entered into during the relevant period, plus (ii) changes during the relevant period to existing contractual commitments entered into during prior periods.

(9) We define Order backlog as the remaining revenue expected to be recognized from ongoing projects subject to existing contractual commitments as of the end of the relevant period.

(10) The unaudited as adjusted financial information presented herein has been derived from or developed by applying adjustments to our historical results as of and for the twelve months ended September 30, 2020, to give effect to the Transactions, including the Offering and the use of proceeds therefrom, as if they had occurred on September 30, 2020 with respect to our combined statement of financial position data and October 1, 2019 with respect to data derived from our combined statement of earnings and other comprehensive income. The unaudited adjustments are based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited as adjusted financial information is presented for informational purposes only. The unaudited as adjusted financial information does not purport to represent what our results of operations or financial position would have been had the Transactions, including the Offering and the use of proceeds therefrom, actually occurred at the beginning of the period or on the date indicated, and such information does not purport to project the results of operations or financial position for any future period or as of any future date. The unaudited as adjusted financial information should be read in conjunction with the information contained in “Selected Historical Financial Information,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the combined financial statements and related notes thereto appearing elsewhere in this offering memorandum. The unaudited as adjusted financial information is not intended to represent pro forma financial information prepared in accordance with the requirements of Regulation S-X promulgated under the U.S. Securities Act or other SEC requirements or IFRS.

(11) As adjusted cash and cash equivalents represent total cash and cash equivalents of SEK 507 million as of September 30, 2020, adjusted to give effect to (i) the Transactions, including the Offering and the use of proceeds therefrom, and (ii) the cash payment of SEK 310 million in connection with certain acquisitions that have closed between October 1, 2020 and January 15, 2021, and which are given pro forma effect as an Acquisition adjustment to Pro Forma Adjusted EBITDA (see footnote (g) above), in each case as if they had occurred on September 30, 2020. As adjusted cash and cash equivalents does not give effect to (i) the additional variable cash consideration of up to approximately SEK 160 million payable over the next three years in respect of acquisitions that have closed through January 15, 2021, and which are given pro forma effect as an Acquisition adjustment to Pro Forma Adjusted EBITDA (see footnote (g) above), and (ii) the expected cash generation post September 30, 2020. See “Capitalization.”

- (12) As adjusted total net debt as of September 30, 2020 gives effect to the Transactions, including the Offering and the use of proceeds therefrom, as if they had occurred on September 30, 2020. As adjusted total net debt includes the principal amount of the Notes, lease liabilities (SEK 322 million, which has been adjusted to exclude the impact from the adoption of IFRS 16, which resulted in a decrease in lease liabilities of SEK 431 million) and other long-term debt, less as adjusted cash and cash equivalents. In addition, we expect to have SEK 640 million of undrawn commitments available under the Revolving Credit Facility. See “*Use of Proceeds*” and “*Capitalization*.”
- (13) As adjusted interest expense represents interest payable on total debt (excluding the effects of the adoption of IFRS 16 on leases) for the twelve months ended September 30, 2020, adjusted to give effect to the Transactions, including the Offering and the use of proceeds therefrom, which comprises (i) the principal amount of the Notes, (ii) lease liabilities of SEK 322 million (which has been adjusted to exclude the impact from the adoption of IFRS 16, resulting in a decrease in lease liabilities of SEK 431 million) and (iii) expenses and commitment fees related to our Revolving Credit and Guarantee Facility (assuming no utilization thereunder). Interest expense related to the Temporary Notes has been calculated on the basis of 0% EURIBOR and based on a Bloomberg exchange rate of €1.00 to SEK 10.4933 as of September 30, 2020. Any hedging we may undertake in respect of our obligations has not been reflected.

RISK FACTORS

In addition to the other information contained in this offering memorandum, you should carefully consider the following risk factors before purchasing the Temporary Notes. The risks and uncertainties we describe below are not the only ones we face. Additional risks and uncertainties of which we are not aware or that we currently believe are immaterial may also adversely affect our business, financial condition and results of operations. If any of the possible events described below were to occur, our business, financial condition and results of operations could be materially and adversely affected. If that happens, we may not be able to pay interest or principal on the Temporary Notes or the Additional Notes when due, respectively, and you could lose all or part of your investment. This offering memorandum also contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this offering memorandum.

Risks Related to Our Business and Industry

Our business may be adversely affected by difficult economic conditions and other factors beyond our control

Our results of operations are materially affected by conditions in the Nordic, European and global economies. The demand for some of our services tends to be cyclical and can be significantly lower in an economic environment characterized by lower household income and corporate earnings, lower levels of government and business spending and slowdowns in the construction industry. Demand for our services depends in particular on spending in residential and commercial construction in the Nordic region as well as renovation and maintenance in industrial and infrastructure markets in that region, and a prolonged period of slow growth or economic contraction may reduce demand for our services. The level of activity in these end-markets depends on a variety of factors that we cannot control, including:

- local, regional and global economic conditions, slowdowns and recessions;
- the policies of the countries in which we operate, including the policies of the central banks of Sweden, Norway and Finland;
- the policies of transnational institutions, such as the European Central Bank and other institutions of the European Union, which influence the performance of national economies in countries in which we operate; and
- the level of demand in construction and in manufacturing and process industries, demographic trends, capital spending and consumer confidence.

Unfavorable developments with respect to any or all of these or other factors can have a material impact on the demand for the services that we offer, both in terms of decreased volumes and price levels.

One of our market drivers is activity in the new construction market, which is sensitive to general business and economic conditions both regionally and worldwide, including the availability of credit, interest rates, inflation, fluctuations in capital, the credit and mortgage markets, changes in tax laws affecting the real estate industry, unemployment levels, and business and consumer confidence. The demand for some of our services is cyclical to the construction market.

We provide the majority of our services to the renovation and maintenance and related services markets, which have historically been more resilient to macroeconomic changes and can tend to be countercyclical. Private residential spend, as well as other sectors of the installation market, can be affected by high mortgage delinquency and foreclosure rates and limitations in the availability of home improvement financing, which may limit consumers' spending during economic downturns, particularly on discretionary items, and affect their confidence level, leading to continued reduced spending on home improvement projects. The impact of these economic factors specific to the renovation and maintenance market may be further exacerbated by unemployment levels.

As a result, adverse developments in global financial markets and general business and economic conditions, including economic recessions, downturns or negative developments or general weakness in the economies of the Nordic countries could adversely affect demand for our products and services, which would have a material adverse effect on our business, financial condition, cash flows and results of operations.

In particular, the outlook for the world economy remains subject to uncertainty, particularly in light of the impact of the COVID-19 pandemic, which may lead to prolonged periods of economic uncertainty in the Nordic, European and global economies. The International Monetary Fund predicts negative global growth in 2020 and many national governments have instituted rescue policies intended to prevent a financial recession. A renewed or future recession could reduce the demand for our services, particularly due to any reduced spending in residential and commercial construction in the Nordic region as well as renovation and maintenance in industrial and infrastructure markets in that region. Moreover, as a result of the COVID-19 pandemic or other similar pandemics or adverse public health developments, our operations and those of our customers, subcontractors and suppliers, may experience delays, disruptions and other adverse effects, such as suspension or reduction of operations, declines in sales activities, difficulties in travel and communications, and regulatory restrictions, any of which could have a material adverse impact on us as a result of, for example, a further reduction in demand for our services, delays and uncertainties in project timelines, deteriorations in the ability of our customers and subcontractors to serve their contractual obligations due to liquidity constraints or other financial difficulties. Although schemes have been initiated by national governments in the jurisdictions in which we operate to provide financial support to parts of the economy most impacted by the COVID-19 pandemic, the actual impact on our customers, subcontractors and suppliers and, therefore, the impact on us, remain uncertain at this stage. See *“—A change in supplier rebates due to the loss of our leading market position or other market conditions or a deterioration in our commercial relationship with one or more key suppliers could adversely affect our income and gross margins”* and *“—Our operations could be adversely affected if a significant number of our customers terminate their services contracts prior to the end of the contractual term or select another provider following the expiration of their contracts.”* Moreover, although governmental authorities in most of the countries in which we operate have loosened restrictions as compared to the start of the COVID-19 pandemic, many restrictions have remained in place and a significant number of these governmental authorities have re-imposed restrictions (or may impose new restrictions) in response to an increasing number of COVID-19 cases. It is not possible to predict the end of the pandemic or how long the restrictions may remain in place as a precaution even once the pandemic has ended. Any of these developments could have a material adverse effect on our business, financial condition and results of operations or on our ability to service or otherwise make payments on the Notes and our other indebtedness. Furthermore, in our response to the COVID-19 pandemic, we have utilized certain generally-available governmental support measures in conjunction with the temporary suspension or part time work of a portion of our employees. Although the amounts received to date have not been significant, should we require additional significant support, any government action relating to funds received by the Group under such governmental support measures, including demands for repayment, could have a material adverse effect on the financial condition and results of operations of the Group.

We may not be able to successfully manage future growth

Our ability to manage our growth and integrate operations, technologies, services and personnel depends on our administrative, financial and operational controls and our ability to create the infrastructure necessary to exploit market opportunities for our services, as well as our financial resources. In order to compete effectively and to grow our business profitably, we will need, on a timely basis, to maintain and improve our financial and management controls, reporting systems and procedures, implement new systems as necessary, attract and retain adequate management personnel, and hire, retain and train a highly qualified workforce. Furthermore, we expect that as we continue to introduce new services and enter new markets, we will be required to manage an increasing number of relationships with various customers and other third parties. This would typically require us to attract, train and retain increasing numbers of highly skilled technical personnel and branch managers. The failure or delay of our management in responding to these challenges could have a material adverse effect on our business, financial condition and result of operations.

We operate in highly competitive markets

The market for installation and services is highly competitive. There are currently a large number of small, local companies and a smaller number of relatively large regional, national and multinational companies operating in our markets. We also expect that new competitors may develop over time as smaller enterprises become more established and reliable and refine their service capabilities.

Competition varies depending on business area, customer classification and geographic area. The principal competitive factors in our business include the following:

- the availability and cost of materials and supplies;
- technical product knowledge and expertise as to application and usage;

- consulting and other service capabilities;
- the ability to build and maintain customer relationships;
- the effective use of technology to identify net revenue and operational opportunities;
- same-day delivery capabilities for certain services; and
- the pricing of services and the provision of credit.

Some of our current or future competitors may have greater resources or lower price discipline than we do, and may use this advantage to further increase their market share. Competitors may also engage in aggressive pricing tactics, which may lead to us having to reduce our prices in order to compete with them. For example, since the start of the COVID-19 pandemic, we have been subject to increased competition on smaller projects due to increased price competition from local companies. Furthermore, we may expend significant time and resources in order to prepare a bid or participate in a bidding process, at the end of which we may not be retained. Even if we are awarded a contract, it may not yield the expected results. As a result of high competition, therefore, we may not be able to maintain our competitive position in the markets in which we operate and our net revenue, profitability and market shares may decline, which would have a material adverse effect on our business, results of operations and financial condition.

In addition, the nature of the markets in which we compete may attract new entrants, particularly from countries with low-cost employment. Although we consider this risk to be relatively limited, in part, due to significant levels of unionization and professional qualification requirements for workforce engaged in the installation and services industry, competition with service providers that benefit from lower cost structures may challenge our competitive position. Furthermore, in recent years, new construction methods have led to the introduction of a range of new low-cost installation solutions. For example, as low-cost prefabricated housing construction becomes more common, the demand for prefabricated building and housing components with pre-built low-cost installations may increase, which may have an adverse impact on the demand for our services. If we are unable to respond to these shifts in demand, our sales may decline, which could have an adverse effect on our financial condition and results of operations.

The Nordic Building Services Market has low barriers to entry at the local branch level and we may face a loss of market share or a decrease in margins from increased price competition in certain local markets

The market for installation and services is highly fragmented, with low barriers to entry at the local level. Our local branches compete with a large number of relatively small local installers and service providers, some of whom benefit from operating efficiencies or lower overhead costs than us, which enables them to offer lower prices than we do. This has in the past and may continue to result in a high degree of competition at the local or regional level in the Nordic Building Services Market. Increased industry competition could result in increased price competition, lower profit margins, a decline in our market share and greater competition for qualified personnel. If we were to face such competition, our net revenue, profitability and market shares may decline, which would have a material adverse effect on our business, results of operations and financial condition.

Our competitors continue to consolidate, which could cause the markets in which we operate to become more competitive and could negatively impact our business

There has been an increase in consolidation activity among our competitors in the markets in which we operate. This consolidation is being driven primarily by customer need and supplier capabilities, which could cause our markets to become more competitive as greater economies of scale are achieved by our competitors. Customers are increasingly aware of the total costs of not having access to consistent sources of supply at multiple locations. While we believe these customer needs could result in fewer numbers of competitors in the market as our remaining competitors become larger and capable of supplying their services on a more consistent and comprehensive basis, these consolidated competitors may increase competition along the value chain.

We may fail to effectively participate in the industry consolidation for a variety of reasons, including antitrust restrictions, which may limit the degree to which a large market participant such as us can acquire additional competitors, as well as our substantial indebtedness, and we may not have the resources to compete for such acquisitions. In addition, industry consolidation could make it more difficult for us to maintain operating margins and could also increase competition for our acquisition targets and result in higher purchase price multiples. We may also face increased difficulty in growing and maintaining our market share and increasing our growth prospects.

Our growth strategy involves acquisitions, and we may experience difficulties identifying acquisition targets, integrating acquired businesses and achieving anticipated synergies

Growth through acquisitions is one of our key growth strategies. We regularly identify and evaluate acquisition opportunities. For example, for the nine months ended September 30, 2020, we have acquired businesses in Sweden across several business areas, including one in Electrical, three in Heating and Sanitation and three in Ventilation. Since October 1, 2020, we have completed the acquisitions of an additional thirteen companies in Sweden, Norway and Finland and across each of our business areas, including four in Electrical, four in Heating and Sanitation, three in Finland and one in each of Norway and Ventilation. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Acquisitions.*” We also expect to complete the Fidelix Acquisition with part of the proceeds from the Offering. See “*Summary—The Transactions—The Fidelix Acquisition.*” We may enter into binding agreements to acquire additional businesses that we expect to complement or augment our existing operations. There can be no assurance, however, that suitable acquisition targets will be identified in the future, or that we will be able to finance such acquisitions on favorable terms. Furthermore, acquisitions we have already made or future acquisitions may not be integrated successfully into our operations and may not achieve desired financial objectives. Any acquisitions of businesses entail numerous operational and financial risks, including:

- higher than expected acquisition and integration costs;
- the possibility that we could pay more than the acquired company or its assets are worth;
- the possibility that we may not identify appropriate acquisition targets, complete future acquisitions on satisfactory terms or realize expected synergies or cost savings within expected timelines;
- unforeseen expenses, delays or conditions may be imposed upon the acquisition, including due to required regulatory approvals or consents;
- exposure to unknown liabilities;
- difficulty and cost in combining the operations and personnel of acquired businesses with our existing operations and personnel;
- diversion of management’s attention from our day-to-day business;
- impairment of relationships with key suppliers or customers of acquired businesses due to changes in management and ownership and the restructuring of logistics and information technology systems;
- the inability to retain key employees of acquired businesses;
- difficulty avoiding labor disruptions in connection with any integration, particularly in connection with any headcount reduction; and
- the incurrence of substantial debt.

The occurrence of any such event could have a material adverse effect on our results of operations and financial condition. See also, “*Risk Factors—Risks Related to the Fidelix Acquisition.*”

In addition, there can be no assurance that, following integration into our Group, an acquired operation will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flow. Although we analyze each acquisition target, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. We may have difficulties in implementing our business model within an acquired company due to various factors, including conflicting corporate culture. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct and actual developments may differ significantly from our expectations.

In agreeing to acquire entities, we generally make certain assumptions and determinations on, among other things, future net revenue and earnings, based on our investigation of the respective businesses and other information then available. We cannot assure you that our assumptions and determinations will prove to be correct or that liabilities, contingencies or other risks previously not known to us will not arise. In addition, we may be limited in our ability to acquire companies depending on the concentration of ownership in specific markets and our relative market position. Any such unanticipated risks, liabilities, contingencies, losses or issues, if realized, could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, acquisitions of companies expose us to the risk of unforeseen obligations with respect to employees, customers, suppliers and subcontractors of acquired businesses, public authorities and other parties. We cannot ensure that there will not be unexpected risks or obligations. Such obligations, were they to materialize, could have a material adverse effect on our business, results of operations or financial condition.

Anticipated pro forma adjustments to our financial information may not materialize as anticipated

We present certain information herein on the basis of certain estimates and assumptions to present for the twelve months ended September 31, 2020 management's estimate of, among other things, (i) the pro forma full twelve-month impact of the Fidelix Acquisition, as if such acquisition had completed on October 1, 2019 (based on Fidelix's historical EBITDA derived from its management accounts, as adjusted for certain non-recurring items and the estimated pro forma effect of an acquisition by Fidelix and the application of consistent accounting policies) and (ii) the pro forma full twelve-month impact of certain acquisitions that were completed prior to and after September 30, 2020, in each case, as if such acquisitions had completed on October 1, 2019 (based on each target's historical EBITDA derived from its management accounts, as adjusted for its actual contribution to our results of operations since the date of its acquisition and as further adjusted in a manner consistent with our presentation of financial information to the extent applicable and the application of our accounting policies and other items). See *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Acquisitions."*

Each of the adjustments is based on our current estimates, and involve risks, uncertainties, assumptions and other factors that may cause actual results, performance or achievements to be materially different from any anticipated future results. None of the pro forma financial data and underlying assumptions has been audited, reviewed or verified by an independent accounting firm or other third party. The adjustments and assumptions used in preparing these metrics may prove to be inaccurate or may be affected by other factors that have not been accounted for, including if any of the risks set out in these *"Risk Factors"* are magnified. As such, they should not be considered in isolation or be used as a substitute for an analysis of the operating results of our Group and no undue reliance should be made in respect of such information.

Any failure to realize the anticipated pro forma adjustments to financial information could materially and adversely affect our business, result of operations and financial condition.

Our success depends on effective project and site management, which could be impaired by a certain number of factors

For many of our projects, we provide a broad range of services with a high technical content. For example, in our Assemblin EL segment, we install complex electrical infrastructure in hospitals and other commercial buildings and in our service business area, we provide maintenance and periodic repair of these installations, for which a high level of technical skill is required. In order to ensure that the projects we take on are effectively conducted and profitable, we need to have a high degree of project and site management expertise, especially in evaluating the costs of providing our services to the relevant customer and in maximizing efficiency in providing the contracted services throughout the term of the contract. Specific factors that can affect our performance and profitability include our ability to accurately determine the costs of providing the contracted services in the context of a particular project, our ability to measure the personnel and other resources that we need to deploy in order to fulfil our contractual obligations on an ongoing basis, our ability to control services provided by subcontractors or to influence the performance of such subcontractors or other service providers, and unforeseen technical difficulties that could cause project delays or unscheduled project downtime. The challenges related to project management could be magnified by the growth of our business, as we may be unable to staff each project with suitably qualified personnel. See *"—Our success is highly dependent on the ability to recruit and retain technical and other key personnel."* Moreover, our ability to effectively manage our projects or deliver our services may be affected by factors beyond our control. For example, although these effects have not been significant to our financial results, since the start of the COVID-19 pandemic, we have experienced delays in several installation projects due to the closing of construction sites. Moreover, due to relatively more stringent lockdown measures in the second quarter of 2020, we were unable to deliver our services to certain customers. See *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—General Economic Conditions and Activity in the Installation Market."*

If, due to ineffective contract planning or management or otherwise, we are unable to efficiently and profitably render our services, we could experience increased contract execution costs, difficulty in obtaining timely payment for our services or harm to our reputation, which could materially adversely affect our business, financial condition and results of operations.

We bear the risk of cost overruns in many of our projects and, as a result, we may experience reduced profits or, in some cases, losses under these projects if the cost increases are above our estimated amounts

We base our prices for our fixed-price contracts largely upon estimates and assumptions of projected costs. The timetable of execution and/or cost structure of our projects can differ from bid estimates because both depend on

a wide range of parameters, some of which are difficult to forecast at the beginning of a project, such as the accessibility of the work site, the availability of qualified personnel, adverse weather conditions and increases in the prices of petroleum or raw materials used in the materials we purchase for installation in our customers' sites (for example, copper with respect to cables) which we may not be able to pass on through re-invoicing to our customers. If our estimates or assumptions prove to be inaccurate, circumstances change in a way that renders our assumptions and estimates inaccurate, or if unexpected complexities in project execution arise, we may incur costs higher than those that we estimated, cost overruns may occur and we could experience reduced profits or a loss for affected projects. For example, in the first quarter of 2019, we have experienced cost overruns on some of our projects in Norway, which have negatively affected our Norway segment's performance and margins during that period.

We also are exposed to increases in energy prices and prices for raw materials that we may be unable to pass on to our customers. Additionally, in certain circumstances, we guarantee project completion or the achievement of certain acceptance and performance testing levels by a scheduled date, as well as provide warranties to our customers for a certain period (generally five years) after project completion. Although we seek to procure performance guarantees for our projects from insurance companies and banks for up to 10% of the project's value, a failure to meet schedule or performance requirements typically results in additional costs to us, and, in some cases, it may create liability for consequential and liquidated damages. In certain circumstances, some providers of performance guarantees may determine we are no longer qualified to receive such guarantees, in which case, we would need to find alternative providers. Performance problems for existing and future projects could cause our actual results of operations to differ materially from those we anticipate and could damage our reputation within our industry and our customer base.

Our success is highly dependent on the ability to recruit and retain technical and other key personnel

Our future success depends on our ability to continue to identify, attract, train, retain and motivate a sufficient number of highly skilled technical personnel. Competition for such personnel is intense. We may be unable to successfully attract, assimilate or retain sufficiently qualified personnel. Failure to do so could harm our business and growth, and ultimately our profitability. In particular, it may be difficult to find qualified personnel in regions that are experiencing a growth in demand for the services that we provide, such as in Stockholm, Oslo and Helsinki. In addition, our continued success depends largely on our ability to retain our technical and key personnel. The departure of significant numbers of our highly skilled personnel could impair our ability to execute our business plan and growth strategy, cause a loss of customers, reduce revenues and adversely affect employee morale. There can be no assurance that we will be able to retain or attract an adequately skilled labor force necessary to operate efficiently and to support our business strategy or that labor expenses will not increase as a result of a shortage in the supply of these skilled personnel.

In addition, our activities require a wide range of continually evolving skills in order to keep up with changes in the sectors in which we operate. We may be unable to find qualified candidates, train staff in new methods, and recruit and train managers.

We may also face decreased access to qualified labor due to the COVID-19 pandemic and related government mandated lockdowns due to closure of borders and decreased labor mobility. For example, our operations in Norway and Finland during the second quarter of 2020 were adversely affected by such restrictions due to the impediments on our ability to use subcontractors from outside such countries. Moreover, due to the COVID-19 pandemic, we have experienced increased sick leave, which may adversely affect our operations, particularly our services business for which we rely on the technical skills and institutional knowledge of our existing employees that cannot be readily replaced with subcontractors.

We may also incur significant costs in maintaining employee health and safety requirements and, as our operations expand, we may face increased work accidents and illness (both in frequency and severity). The ongoing COVID-19 pandemic has resulted in increased sick leave among our staff and a need to increase health and safety measures throughout our operations. In addition, during periods of rapid economic growth, we may encounter problems in recruiting and retaining qualified employees, as well as experience increased staff costs during these periods, or a decrease in the quality of the services we provide, all of which could negatively affect our business, results of operations and financial condition.

A majority of our balance sheet assets consist of intangible assets, which are subject to impairment testing and may affect future results of operations

Our intangible assets are substantial and represented SEK 2,790 million as of September 30, 2020. Our intangible assets consist primarily of goodwill.

We capitalize goodwill relating to acquisitions, which is calculated as the difference between the historical cost and fair value of an acquired business and the fair value of our share of the acquired business's identifiable net assets at the time of acquisition. Goodwill from the acquisition of operations is recognized as an intangible asset. Goodwill is tested annually for impairment and stated at cost less accumulated impairment losses.

Goodwill is not amortized but is subject to impairment testing at least annually. The identification and measurement of impairment involves the estimation of the fair value of reporting units. Accounting for impairment contains uncertainty because management must use judgment in determining appropriate assumptions to be used in the measurement of fair value. The estimates of fair value of reporting units are based on the best information available as of the date of the assessment and incorporate management assumptions about expected future cash flows and contemplate other valuation techniques. For more information see our financial statements included in this offering memorandum. An adverse development in our business activities may require us to recognize impairment charges to write off all or a part of the carrying amount of our goodwill and other intangible assets. If an expense or impairment loss must be recognized, it could have a material adverse effect on our business, financial condition and results of operations.

There is significant judgement required in the analysis of a potential impairment of goodwill and other intangible assets. The future development of the macroeconomic environment, of the COVID-19 pandemic, unsuccessful acquisitions or other factors could lead to possibly significant impairments to be recognized in the future, which could have a material adverse effect on our business. Any of these developments could have a material adverse effect on our business, financial condition and results of operations or on our ability to service or otherwise make payments on the Notes and our other indebtedness.

Our business, strategy implementation and internal control functions could be adversely affected if we fail to effectively maintain our decentralized organization and to attract and retain skilled managers, personnel and key executive officers

Our ability to maintain our competitive position and to implement our business strategy largely depends on our decentralized organizational structure in which branch managers retain substantial autonomy regarding the management of the operations and customer accounts, and project managers are primarily responsible for the carrying out of individual projects. We are dependent upon the services of our employees and their respective local customer relationships, as well as on the skills and expertise of our employees in particular projects or particular markets. We may not be able to retain such employees in the future, and such employees could leave us for competitors or form competing businesses themselves. Despite our decentralized model, we also depend upon the services of our management. Any inability to attract or retain an adequate number of qualified branch managers, project managers, key executive officers or other skilled employees could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, while we believe decentralization is a key element of our business model and an important element for the implementation of our strategy, decentralization necessarily places significant control and decision-making powers in the hands of local project and branch managers. There is a risk that those local managers will not comply with our internal policies or processes or that we will not successfully implement future compliance policies, update existing control procedures and compliance policies and maintain efficient reliable IT systems required to effectively monitor our operations. The occurrence of these events on a particular project or local branch level could have a material adverse effect on our business, results of operations and financial condition.

Based on economic and other conditions impacting the markets in which our facilities are located, as well as the overall performance of individual branch locations, we may be required to close or dispose of under-performing branches

We may have to close under-performing branches from time to time as warranted by general economic conditions and/or weakness in the local markets in which we operate. Furthermore, we engage in periodic reviews of branch performance and may decide to close or dispose of branches based on under-performance, poor cash flow and other considerations. Our under-performing branches may not be successful in generating future profits. If we fail to identify branches that are under-performing in a timely manner or fail to take appropriate remedial measures to support, close or dispose of an under-performing branch in a timely manner, such failure may have a material adverse effect on our financial condition, results of operations and cash flows.

In addition, future branch closures could result in our reduced presence in certain of our local markets, which could potentially have an adverse effect on our ability to provide our customers comprehensive services

throughout the Nordic region, which could adversely impact our reputation and results of operations. In addition, branch closures may result in administrative and restructuring costs that could have a material adverse impact on our financial condition, results of operations and cash flows.

We may incur liabilities for the actions of our employees

Our employees deliver services within buildings and at locations owned or operated by our customers. As a result, we may be subject to claims in connection with damage to property, business interruptions, unauthorized use of the customer's property or willful misconduct or other tortuous acts by our employees or people who have gained unauthorized access to premises through our business operations. Such claims may be substantial and may result in adverse publicity for our Group. Accordingly, these claims could have a material adverse effect on our business, results of operations and financial condition.

We may not be able to attract and retain key officers and directors and other management personnel

Our ability to continue to implement our strategy (See "*Business—Our Strategy*") successfully depends upon the services of a small number of key executive officers and directors, including the Group management team. There can be no assurance that these individuals will continue to make their services available to us in the future. The loss of or diminution in the services of one or more of our key executive officers or directors, or our inability to attract, retain and maintain new key executive officers or directors, could have a material adverse effect on our business, results of operations or financial condition.

We rely heavily on our branch managers for the success of a branch. Each branch manager has the responsibility for recruiting and retaining a quality workforce and cultivating customer loyalty. Each branch manager manages the operations of the branch, which include recruiting, dispatching and paying of employees, meeting the needs of our customers, maintaining customer satisfaction, selling our services to new customers, as well as controlling costs through accident prevention, and complying with applicable laws and regulations. Our future growth and financial performance depend on our ability to hire, train and retain qualified managers from a limited pool of qualified candidates. If we are unable to attract, retain and successfully train our branch managers, this could have a materially adverse effect on our business, results of operations and financial condition.

Damage to our reputation could have an adverse effect on our business, financial condition, results of operations or prospects

Our reputation is important to our ability to market our services and secure new customers. Our historical success is attributable, in large part, to our reputation as a leading and reliable provider of a broad range of services, particularly services requiring a certain level of technical expertise, and this reputation has strengthened our business and helped to facilitate our expansion. Although we closely monitor the quality of our services, we cannot guarantee that we will be able to protect our business against damage to our reputation vis-à-vis our customers, potential customers and, more generally, in the geographic regions and business sectors in which we operate. Any damage to our reputation or brand as a result of adverse litigation, breach of procurement laws or regulations, third-party challenges to contracts won in public procurement procedures, failure to meet contract deadlines or specialized performance requirements, or for any other reason, could have a material adverse effect on our marketing and ability to obtain projects from customers, as well as our business, results of operations and financial condition.

We are party to public sector contracts, which may be affected by political and administrative decisions, and we are subject to risks inherent in public contracts

Public sector customers account for a significant portion of our net revenue. The success and profitability of our public sector business may be influenced by political considerations. It may also be affected by political and administrative decisions concerning levels of public spending. In certain cases, due to applicable regulations, such as European Union tender rules, certain terms of public sector contracts, such as pricing terms, contract period, the use of subcontractors and the ability to transfer receivables under contract, could result in less flexibility than comparable private sector contracts. Public sector contracts can, if entered into or prolonged in violation of applicable tender rules, be declared invalid by a court of law, or if questioned by a third party competitor, risk being terminated by the public sector customer. Certain of our public sector contracts may be subject to challenge on these grounds and could be declared invalid if they are found to be in violation of applicable public procurement law.

Moreover, decisions to decrease public spending may result in the termination, delay or downscaling of public sector contracts, which could have a material adverse effect on our business, results of operations and financial condition. Historically, our performance has been linked, in part, to the ability and willingness of local, regional and national governments to allocate public funds to infrastructure and other publicly funded projects, as well as our ability to bid successfully for these contracts. Public sector spending, in turn, generally has been dependent on long-term general macroeconomic conditions. A decrease in public sector spending as a result of a deterioration in Nordic, European or global economic conditions, changes in governmental policy or other reasons, including the COVID-19 pandemic, could have an adverse effect on our financial condition and results of operations. There is a risk that a fall in public sector spending in the countries in which we operate will have a material adverse effect on our business, financial condition or results of operation.

Contracts in the public sector are also subject to review and monitoring by local authorities to ensure compliance with laws and regulations prohibiting anti-competitive practices. Although we believe that we comply with these laws and regulations, there can be no assurance that we will not be found in violation of any such laws or regulations, and we could be subject to fines, penalties and other sanctions, including exclusion from participation in tenders for public contracts. Any such event would have a material adverse effect on our reputation, business, results of operations and financial condition.

Changes in the laws and regulations governing public procurement could have a material impact on our business

As a government contractor, we are subject to a number of procurement regulations, requirements and limitations relating to the conduct of business relationships and the formation of purchasing contracts, including prohibitions on certain business practices that could be construed as bribery, public corruption or unfair competitive practices. Although we maintain policies regarding compliance with these regulations, there can be no assurance that our employees, subcontractors, agents and partners, or the public sector entities with whom they contract, will not act in violation of such policies and/or applicable laws and regulations. Furthermore, if a public sector entity were to violate applicable procurement laws or regulations in connection with contracts entered into with us or our marketing activities, the relevant authorities or a competitor could seek enforcement action against us. Any such violation, even if prohibited by our policies, could result in civil or criminal penalties, the loss of business or harm to our reputation and, accordingly, have a material adverse effect on our business, results of operations or financial condition.

In addition, awards under public procurement processes may be subject to challenge or rescission based on actual or alleged procedural deficiencies in the tender process, even after we have made significant expenditures associated with winning such an award. We (or a public sector customer) may face actions seeking to challenge prior awards and we may not be successful in securing a contract in any re-tendering process, which could have a material adverse effect on our business, results of operations or financial condition.

A significant part of our net revenue is attributable to contracts awarded through a competitive bidding process, which can result in substantial costs and loss of revenue if we fail to compete effectively

With respect to installation projects, almost all of our net revenue is attributable to contracts that are awarded through a competitive bidding process, where price is often the principal factor in determining which contractor is selected, especially with regard to public sector projects. Some of our competitors may be willing to offer a lower price than us, reduce staff costs, accept lower profit margins or expend more in capital to obtain or retain customers. As a result, we may not be successful in winning awards on commercially attractive terms over our competitors. In addition, competitive bidding results in substantial costs and presents a number of risks, including: substantial investments in terms of cost and managerial time required to prepare bids and proposals for contracts that may or may not be awarded to us; the need to estimate accurately the resources and costs that will be required to service any contracts we are awarded, often in advance of the final determination of their full scope; the expense and delay that may arise if our competitors protest or challenge awards made to us pursuant to a competitive bidding process, and the risk that such protest or challenge could result in the requirement to resubmit bids or in the termination, reduction or modification of the contracts that have been awarded; and the opportunity cost of not bidding on and winning other contracts we might otherwise pursue, all of which could have a material adverse effect on our business, results of operations and financial condition.

Changes in government monetary or fiscal policies may negatively impact our results of operations

The demand for our services is impacted by monetary and other government policies in each of the countries in which we operate, including policies that have the effect of encouraging or discouraging construction, such as

long-term interest rates, tax policies, policies encouraging or discouraging labor mobility and migration, the availability of financing or subsidies, the allocation of government funding for public infrastructure programs and safety regulations that encourage or discourage the use of certain materials and products. Interest rate changes, for example, affect demand for residential and non-residential structures, which in turn affects sales of our services that serve these activities. Interest rate changes also affect our customers' ability to finance purchases and can impact the ability of our suppliers to finance the production of parts and components necessary to deliver the services we sell. In addition to changing interest rates, central banks and other policy arms of many countries take actions to vary the amount of liquidity and credit available to such country. During the COVID-19 pandemic, governments globally have stepped up monetary and fiscal policies to fight the economic effects of lockdowns and containment measures. Such measures have served to stabilize conditions in the short term to various degrees but may need to be unwound in the future. Changes in liquidity and credit policies, including the reduction or elimination of favorable tax or other stimulus programs and reversing of monetary policy measures, could adversely impact our customers, markets and suppliers, any of which could have a material adverse effect on our business, results of operations and financial condition.

Fluctuating commodity prices may adversely impact our results of operations

The prices of petroleum, copper, steel, aluminum and other commodities used in the products we install can be volatile. We are not always able to quickly or effectively react to price increases by our suppliers or pass through increased costs to our customers. A majority of our contracts allow us to pass through cost increases to our customers. However, short-term changes in the costs of raw materials, some of which are subject to significant fluctuations, are not always passed on to our customers, and we do not currently enter into forward sales, commodity, derivative or hedging arrangements to establish a price in advance for the purchase of future raw materials. Any delay in our ability to pass on material price increases to our customers could adversely impact our business, results of operations, financial condition and cash flows.

In addition, if prices decrease for commodities, we may have inventories purchased at prices higher than prevailing market prices. Prices and the availability of petroleum products are subject to political, economic and market factors that are outside our control. Political events in petroleum-producing regions as well as weather-related events may cause the price of fuel to increase. Any significant increases in fuel or energy prices or increased costs relating to emissions control requirements that have been or may be imposed in the future, particularly due to climate change-related legislation, could have an adverse effect on our business, financial condition and results of operations. Significant fluctuations in the cost of the commodities used in products we use as a part of the services that we deliver may adversely affect our results of operations and financial condition.

Any failure of our third-party subcontractors or strategic partners to satisfactorily perform their obligations may hurt our reputation, business and results of operations.

We offer certain of our services to our customers through various third-party service providers engaged to perform these services on our behalf. However, we retain responsibility for the work performed by these subcontractors. Accordingly, we are exposed to risks relating to managing subcontractors and the risk that these subcontractors may fail to perform the agreed-upon services satisfactorily and on a timely basis, which could affect our ability to perform our obligations (which could lead to contractual monetary penalties) or meet our customers' expectations and comply with applicable regulatory requirements. In extreme cases, performance or other deficiencies on the part of our subcontractors could result in a customer terminating our contract. A termination could expose us to financial liabilities, damage our reputation and impair our ability to compete for future contracts. In addition, in the event a subcontractor provides unsatisfactory services on our behalf, we could be required to make additional investments or provide additional services to ensure the adequate performance and delivery of the contracted services. In addition, we are exposed to the operational controls of our subcontractors, including with respect to the qualifications of their personnel and their compliance with labor and immigration laws. Our subcontractors may maintain inadequate insurance coverage or inadequate financial resources to honor claims resulting from damages or losses inflicted by such subcontractors on our customers.

We constantly manage and monitor the performance of our subcontractors. However, the failure of subcontractors to meet their contractual obligations or comply with applicable laws or regulations could harm our reputation, as well as result in customer losses and financial liabilities, any of which could have a material adverse effect on our business, results of operations and financial condition.

Similarly, much of our business, particularly with respect to installation in new construction projects, derives from our strategic partnerships with leading Scandinavian construction companies that hire us as subcontractors.

In our contracts with these construction companies, we often agree, along with all other subcontractors on the project, to have joint and several liability for the performance of the construction company's obligations under the supply contract. To the extent one of our strategic partners encounters financial difficulties or otherwise becomes unable to perform its obligations under the construction contract, we may incur substantial liabilities, which could have a material adverse impact on our business, results of operations and financial condition.

We rely on third-party suppliers, and if we fail to identify and develop relationships with a sufficient number of qualified suppliers, or if there is a significant interruption in our supply chains or significant fluctuation in the prices of our product supply, our results of operations could be adversely affected

Our ability to offer a wide variety of services to our customers is dependent upon our ability to obtain adequate product supply from manufacturers or other suppliers at attractive prices. For the year ended December 31, 2019, we estimate that our top ten suppliers accounted for 33% of our total supply costs. We may not be able to identify and develop relationships with qualified suppliers that can satisfy our standards for quality and price and our need to access products and supplies in a timely and efficient manner. We may be required to replace a supplier if its products do not meet our quality, price or safety standards. Our results of operations and inventory levels could suffer if we are unable to promptly replace a supplier that is unwilling or unable to satisfy our requirements with a supplier providing similar products. The loss of, or substantial decrease in the availability of, products from our suppliers, or the loss of a key supplier, could adversely impact our business, results of operations, financial condition and cash flows.

In addition, supply interruptions could arise from shortages of raw materials, labor disputes or weather conditions affecting products or shipments, transportation disruptions or other factors beyond our control, including closures related to the COVID-19 pandemic. Short-term and long-term disruptions in our supply chain would result in a need to maintain higher inventory levels as we replace similar products, a higher cost of goods and ultimately a decrease in our net revenue and profitability. A disruption in the timely availability of our goods by our key suppliers and the failure by our suppliers to continue to supply us with products on commercially reasonable terms, or at all, may result in a decline of our operating margins and have a material adverse effect on our business, results of operations, financial condition and cash flow.

The cost of our services have historically been volatile and subject to fluctuations arising from changes in supply and demand, economic conditions, labor costs, competition, market speculation, government regulation and trade policies, as well as from periodic delays in the delivery of our products. We have a limited ability to control the timing and amount of changes to prices that we will pay for our products. In addition, the supply of our products fluctuates based on available manufacturing capacity. A shortage of capacity, or excess capacity, in the industry can result in significant increases or decreases in market prices for those products, often within a short period of time. Even where we are able to increase our prices to our customers, we may be unable to increase our prices in sufficient time to absorb price increases by our suppliers. Such price fluctuations can adversely affect our business, results of operations, financial condition and cash flows.

We are dependent on our relationships with strategic partners in the building and services industry, including NCC, Skanska and PEAB, the three largest construction companies in the Nordic region. The failure to maintain these relationships could result in the loss of business and, as a result, materially adverse effects on our operating performance

Our business, particularly with respect to installation in new construction projects, is dependent in large part on our long-standing relationships with leading Nordic construction companies. For example, we were part of an installation group that was hired by building contractor Skanska to conduct the planning and design of the installation work for the new health care building in the Malmö hospital area in 2015. Recently in September 2019, Skanska entrusted the same installation group with the implementation phase of that project, an assignment that is worth approximately SEK 1,669 million in total and of which we will be responsible for SEK 1,067 million.

Our opportunities to partner with these types of construction companies could be adversely affected if: we are unable to achieve the objectives under our arrangements in a timely manner, or at all; our partners become unable, unwilling or less willing to invest in new property development due to poor general market conditions, their financial condition or other circumstances, many of which are beyond our control; we disagree with a key partner regarding strategic direction, the economics of our relationship or other matters; we are unable to successfully manage multiple simultaneous projects with such partners; our strategic partners breach or terminate their contract with us; our partners become competitors of ours or enter into agreements with our competitors;

applicable laws and regulations, domestic or foreign, impede our ability to enter into strategic arrangements; or as we enter into additional or consolidation in the construction markets limits the number of potential industry partners. If any of these events occur, or if we fail to maintain our agreements with our strategic partners and collaborators, we may not be able to further develop our business or generate sufficient revenues to support our operations. Additionally, our business could be negatively impacted if any of our industry partners undergo a change of control, assign the rights or obligations under any of our agreements or cease to be a going concern. We may be exposed to the credit risk of certain of our customers and, in addition, our liability to customers under guarantee provisions may materially and adversely affect our earnings.

We sell installation and services solutions to our customers through contracts that are not secured by collateral or other security and therefore bear the risk that our customers will be unable to pay amounts due to us. Our products are sold to customers in industries that may experience fluctuations in demand based on economic conditions, energy prices, seasonality, consumer demand and other factors beyond our control. These industries include the construction industry. We may not be able to limit our potential loss of revenues if a significant number of customers are unable to pay amounts due to us on a timely basis, which could have a material adverse effect on our business, results of operations and financial condition.

At the same time, we generally provide guarantees for completed projects as to the proper operation and conformance to specifications of our installations and services. The failure of our installations to operate properly or to meet specifications may increase our costs by requiring additional engineering resources and services, the replacement of parts and equipment or monetary reimbursement to a customer. We have in the past received guarantee claims, are subject to guarantee claims and we expect to continue to receive them in the future. To the extent that we incur substantial guarantee claims in any period, our reputation, our ability to obtain future business and our earnings could be adversely affected.

Our competitive position could be adversely affected by changes in technology and industry standards

Our business requires a high level of technical expertise for a wide variety of services. We need to constantly adapt our expertise in response to technological innovations, as well as industry standards, product instructions and customer requirements. New technology or changes in industry and customer requirements may render some of our services obsolete, excessively costly or otherwise unmarketable.

As a result, we must continuously enhance our expertise and the efficiency and reliability of our services in order to remain at the forefront of industry standards and customer requirements. If we are unable to adapt to ever-changing technologies and customer requirements in a timely and cost-effective manner, our competitive position will suffer and our prospects for growth will be impaired, which would adversely affect our business and results of operations.

A change in supplier rebates due to the loss of our leading market position or other market conditions or a deterioration in our commercial relationship with one or more key suppliers could adversely affect our income and gross margins

The terms on which we purchase products from many of our suppliers enable us to receive a rebate based on the volume of our purchases. These rebates effectively reduce our costs. Our ability to earn and negotiate rebates is critical to the success of our business. If market conditions change or if we lose our leading market position, suppliers may respond by changing the terms of some or all of these purchasing programs to our detriment. Any such changes could lower our gross margins or revenues. Furthermore, a loss of market share could result in a decreased demand for our services, which could cause our volume requirements for certain products to decline. If we are unable to meet specified volume thresholds for certain suppliers, we may not receive favorable rebates, which could increase our costs and decrease our gross margins.

In addition, some of our suppliers are not obligated under long-term supply agreements to continue to sell to us. We have relatively few sources of supply for some of the products that we purchase, and in some cases we rely on a small group of suppliers for certain key products. In addition, the lead time involved in the manufacturing of some of these components can be lengthy. If certain of our key suppliers become unwilling or unable to supply us with components meeting our requirements, we may not be able to organize additional or replacement suppliers in a timely manner, or at all. Moreover, we maintain low levels of inventory and our suppliers deliver directly to our work sites, which prevents us from being able to provide replacement supplies on our own should one or more of our suppliers fail to meet our supply requirements. The inability or unwillingness of our suppliers to provide timely delivery of products necessary for our installations and services projects could cause our services to be disrupted and our results of operations to decline.

Our operations could be adversely affected if a significant number of our customers terminate their services contracts prior to the end of the contractual term or select another provider following the expiration of their contracts

We perform some of our service work for customers under contracts with a stated term and, in some cases, with termination clauses permitting the customer to cancel the contract at the customer's discretion following the expiration of an agreed notice period. There can be no assurance that our customers will not exercise their rights to terminate their contracts prior to expiration or that we will be successful in negotiating new contracts with customers as such contracts expire. We generally execute our business through numerous small contracts (including multiple contracts for the same customers) and, therefore, any cancellation of a contract or a number of contracts would not ordinarily have an adverse effect on our results of operations. However, contract cancellations or dissatisfaction with our services may damage our reputation and make it more difficult for us to obtain similar contracts with other customers, in which case our business and results of operations would be adversely affected.

Amounts included in our estimated order backlog may not result in actual revenue or translate into profits, and our estimated order backlog is subject to delays, customer bankruptcy, accounting errors and unexpected adjustments and is therefore an uncertain indicator of future results of operations

As of September 30, 2020, our order backlog was SEK 8,245 million, which represented 81.4% of our net revenue for the twelve months ended September 30, 2020. Although our backlog only includes expected sales under committed contracts with customers, there can be no assurance that these contractual terms would not change, and that the backlog will result in an actual recognition of revenue within the period initially anticipated, if at all. In addition, certain contracts included in our estimated order backlog may not be profitable. We may experience variances in the realization of our estimated order backlog because of project delays or cancellations resulting from weather conditions, project deferrals or delays, scope adjustments, external market factors and economic factors beyond our control. If our estimated order backlog fails to materialize as we anticipated, our business, financial condition or results of operations would be materially and adversely affected. Accordingly, our estimated order backlog as of any particular date is an uncertain indicator of future revenue or earnings.

Our order backlog does not provide a precise indication of the time period over which we are contractually entitled to receive such revenue and there is no assurance that such revenues will be actually received by us in the time frames anticipated, or at all. Our order backlog is computed based on facts known and assumptions deemed appropriate at the computation date. Although under our unilateral termination rights relating to defined termination events, our order backlog is based on the full contractual period, as we estimate that, based on our operating history and course of dealing with our customers, these contracts are more likely than not to reach their full term and be continued for the duration of their option periods.

Unforeseen events or circumstances, including, for example, the termination or scaling down of service contracts, may affect the backlog and could negatively impact our earnings and financial position. There can be no assurance that the revenue projected in our order backlog will be realized or, if realized, that it will result in profits. Because of contract terminations or suspensions and changes in contract scope and schedule, we cannot predict with certainty when, or if, our order backlog will be achieved. We can provide no assurance that we will not receive additional terminations, and, even where a contract proceeds as scheduled, it is possible that the customer may default and fail to pay amounts owed by it, including due to customer bankruptcies as a result of the COVID-19 pandemic or otherwise. To the extent we are unable to realize the pipeline of revenue associated with contracts in our backlog due to material delays, terminations or payment defaults, our business, financial condition and results of operation could be adversely affected. See “—*Our business may be adversely affected by difficult economic conditions and other factors beyond our control*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Seasonality*.” Finally, our definition of backlog may not necessarily be the same as that used by other companies engaged in activities similar to us. As a result, the amount of backlog reported by us may not be comparable to the backlog reported by such other companies.

We may incur liabilities that are not covered by insurance

We maintain insurance policies to protect our core businesses against loss or potential liability arising from contracting parties and third party claims. Risks that generally are insured include claims that naturally may occur in our business operations, for example, damage on our property, business interruption, damage on third parties’ property or public and production liability. Additionally, we obtain insurance coverage for certain

specific larger projects. Nevertheless, not all claims are insurable and there can be no assurance that we will not experience major incidents that are not covered by our insurance. Furthermore, the occurrence of several events resulting in substantial claims for damages within a calendar year may have a material adverse effect on our business. In addition, our insurance costs may increase over time in response to any negative development in our claims history or due to material price increases in the insurance market in general. There can be no assurance that we will be able to maintain our current insurance coverage or do so at a reasonable cost.

We may not be able to successfully defend against claims made against us by customers or other third parties, or we may fail to adequately recover on our claims against customers or third parties

We may encounter difficulties in meeting contractual performance obligations, including due to the COVID-19 pandemic, which may result in the incurrence of penalties for non-performance or a delay in the performance of our contractual obligations. In addition, we rely on third-party partners, equipment manufacturers and subcontractors to complete some of our contracts. As such, claims involving customers, suppliers and subcontractors may be brought against us, and by us, in connection with our contracts or with customers' internal procedures. Claims brought against us could include back charges for alleged defective or incomplete work, breaches of warranty and/or late completion of the project and claims for cancelled projects. The claims and back charges can involve actual damages, as well as contractually agreed-upon liquidated sums. These claims, as well as claims we may make against customers or other third parties, if not resolved through negotiation, could result in lengthy and expensive litigation or arbitration proceedings.

We occasionally bring claims against project owners for additional costs that exceed the contract price or for amounts not included in the original contract price, including change orders. These types of claims occur due to matters such as owner-caused delays, increased unit prices or changes from the initial project scope that result, both directly and indirectly, in additional costs. Often, these claims can be the subject of lengthy arbitration, litigation or third-party expert proceedings, and it can be difficult to accurately predict when these claims will be fully resolved. When these types of events occur and unresolved claims are pending, we may invest significant working capital in projects to cover cost overruns pending the resolution of the relevant claims. Charges associated with claims, or our failure to recover sufficient damages and/or liquidated sums in connection with claims we bring against third parties, could materially adversely affect our business, financial condition and results of operations.

If we fail to ensure safe work environments for our employees, we could be exposed to significant financial losses, as well as civil and criminal liabilities

Our operations are subject to extensive laws and regulations relating to the maintenance of safe conditions in the workplace. The industry in which we operate involves a certain degree of operational risk, such as working with high voltages, heat and at heights, which cannot be fully eliminated by procedures implemented to address them. These hazards can cause personal injury or death, severe damage to or destruction of property and equipment and other consequential damages and could lead to the suspension of operations and large damage claims and, in extreme cases, criminal liability.

If we were to fail to implement any safety or other procedures with respect to our sites, or if the procedures we implement were deemed to be ineffective, our employees or others may suffer injury and we could incur significant financial losses. In addition, we could be found liable for failing to comply with government regulation dealing with occupational health and safety. Occurrence of any of these events could cause a materially adverse effect on our operations and profitability. Our failure, or the failure of one of our subcontractors, to comply with applicable regulations or to maintain a safe work environment could result in substantial fines, claims relating to violations of social and working environment legislation or the revocation of licenses. There can be no assurance that we will not be subject to claims relating to employees' working conditions. Any such claims, or increased costs resulting from such claims or regulatory changes, could have a material adverse effect on our business, results of operations and financial condition.

Additionally, throughout the COVID-19 pandemic, our worksites and offices will have to implement and maintain measures designed to stop the spread of the virus, including sanitation, social distancing and mask wearing. Failure to maintain these measures can lead to outbreaks of the virus in our worksites and offices, leading to closures which can have a material adverse effect on our business, results of operations and financial condition.

New technology and the implementation of new work processes, services, tools and machinery may also have unforeseen effects on the working conditions of our employees. In addition, our employees may be exposed to

materials that, although not currently considered harmful, could in the future be deemed health hazards, as was the case with asbestos. Unsafe work sites also have the potential to increase project costs for our customers and raise our operating costs. Any of the foregoing could result in financial losses, which could have a material adverse impact on our business, financial condition and results of operations.

Failure to comply with transfer pricing regulations may result in the payment of additional tax or penalties by us

The markets in which we operate have transfer pricing regulations that require transactions involving associated companies to be at arm's length. Arrangements between members of our Group, such as intra-Group transactions involving management services, royalties, information technology service fees, cash-pool arrangements, intra-Group loans and consultancy fees, are typically carried out on an arm's-length basis. However, if the tax authorities in any relevant jurisdiction do not regard such arrangements as being made on an arm's-length basis and successfully challenge those arrangements, the amount of tax payable by the relevant member or members of our Group, in respect of both current and previous years, may increase materially and penalties or interest may be payable. Furthermore, any failure to file transfer pricing documentation evidencing the outcome of applied pricing principles, should they be requested by the relevant tax authorities, may result in penalties.

We are exposed to risks in connection with derivative instruments and hedging transactions.

We use derivative financial instruments (primarily currency and interest rate swaps and interest rate ceilings) to help limit and control foreign exchange and interest rate risks. Such transactions involve risks, particularly, if the interest or exchange rate development differs from expectations. The projections and assumptions made by our risk management team at the time when such transactions were entered into could prove to be incorrect and the transactions could fail to limit the risks as intended or increase our costs. This could have a material adverse effect on our business, results of operations and financial condition. In addition, we intend to hedge some or all of our interest rate and currency risk under the Notes since the majority of our revenues are paid in currency other than euros, which is the currency of the Notes. Such hedges are senior obligations of the Issuer and rank *pari passu* in right of payment with the Notes and obligations under the Super Senior Facilities, and together with the Notes, the Super Senior Facilities are secured by first-priority security interests over the Collateral; provided, however, that, under the terms of the Intercreditor Agreement, certain hedges are "super senior" in terms of the receipt of the proceeds of enforcement of Collateral until such super senior hedges and obligations under the Super Senior Facilities have been repaid in full. See "*Description of Certain Financing Arrangements—Intercreditor Agreement.*" If we were to default in making payments under the Notes, or if certain other credit events were to occur in relation to us and a credit-linked hedge of interest rate or currency risk in respect of such Notes were to terminate or be closed out as a result, then, in relation to the mark-to-market ("MTM") value which would normally be payable by one party to the other on a termination or close-out of an equivalent hedge that was not credit-linked, either (a) we will be limited, where such MTM value would otherwise be payable to us, in claiming against our hedge counterparty in respect of such termination or close-out to an amount equal to the product of (i) such MTM value and (ii) the credit recovery rate for holders of the Notes, such credit recovery rate being determined within a reasonable period after such termination or close-out by reference to a market auction process or market quotations for such notes, or (b) no MTM payment in respect of such termination or close-out will be due from either party, depending on the particular type of credit-linked hedge into which we enter.

We are exposed to translation risk of currency fluctuations

Our business operations are characterized by a relatively low level of transactional currency risk since our purchases and sales are made in the same local currency with minimal exposure to imported components. From an accounting perspective, we are exposed to risks relating to translation into Swedish kronor of income statements and balance sheets of foreign subsidiaries with local reporting denominated in euro (in the case of operations in Finland) and Norwegian kroner. In order to prepare our combined financial statements, we must translate foreign currency assets, liabilities, net revenue and expenses into Swedish kronor. For balance sheet items, foreign currencies are translated into the functional currency at the exchange rates applicable on the transaction date. For income statement items, foreign currencies are translated into the functional currency at the average exchange rate applicable to the period. Consequently, increases and decreases in the value of the Swedish krona against other currencies affect the amount of these items in our combined financial statements, even if their value has not changed in their original currency. A 5% strengthening of the euro as of December 31, 2019 would have had a positive translation effect on equity of SEK 3.4 million and the same increase in value of the Norwegian krone would have had a positive translation effect on equity of SEK 2.8 million.

The trend toward greater outsourcing of services and maintenance by public institutions and private companies may slow or reverse, which could adversely affect our business, including our financial condition, results of operations, cash flows and prospects

Growth in demand for technical services is also influenced by trends other than macroeconomic trends, including outsourcing. Over the past several years, our business has benefited from increased levels of the outsourcing of installation and services activities by public institutions and private companies. The development of outsourced services may be affected by political decisions, public opinion, positive and negative experiences with outsourcing, and demand by public institutions and private users. These factors may negatively impact growth, cause contracts to be discontinued or reduce our ability to achieve satisfactory growth rates in the future, all of which may have a material adverse effect on our business, financial condition, cash flows and results of operations.

The residential, non-residential and infrastructure construction markets are seasonal and our business operations may be affected by adverse weather conditions

We experience seasonal fluctuations in the demand for certain of our services, due primarily to weather and holiday seasons. Although weather patterns affect our results of operations throughout the year, cold and wet weather during the winter months has historically reduced construction activity primarily in the first quarter in our markets. In contrast, our highest volume of net revenue historically has occurred in September through November. Generally, during the winter months, new construction activity declines due to inclement weather and to the holiday season. Public holidays and vacation, particularly in the months of June and July, also have seasonality effects, because building projects or industrial production processes may slow or temporarily cease. As a result, our results of operations may vary significantly from period to period. We anticipate that fluctuations from period to period will continue in the future.

In addition, cold weather is less favorable for construction projects and delays installation work because it hinders site accessibility. Adverse weather conditions, particularly during the winter season, could affect the ability of our employees to perform efficient work outdoors in certain regions of Sweden, Finland, and Norway. We may experience reduced cash flow if unseasonal weather conditions persist, which could have a material adverse effect on our business, financial condition and results of operations.

Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition

We are subject to complex tax laws in each of the jurisdictions in which we operate. Changes in tax laws could adversely affect our tax position, including our effective tax rate or tax payments. In addition, Swedish, Finnish, Norwegian and European and other international tax laws and regulations are extremely complex and are subject to varying interpretations. We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our services to track and collect such taxes, which could increase our costs of operations and have a negative effect on our business, results of operations, financial position and cash flows. For example, Swedish and Norwegian tax authorities challenged the deductibility of interest on our shareholder loans, and while discussions with tax authorities continue, we have taken appropriate provisions for our tax positions in our results of operations, which are reflected through an increase in tax for the years ended December 31, 2017 and 2018 in our Audited Combined Financial Statements.

We occupy most of our facilities under short- and medium-term leases. We may be unable to renew leases at the end of their terms. If we close a facility, we remain obligated under the applicable lease

Most of our facilities are located in leased premises. Most of our leases are non-cancellable and short- or medium-term. We believe that leases we enter into in the future will likely be on similar terms as our current leases. We may be unable to renew our leases at the end of their terms, or the terms of such renewal may be less favorable to us than those under the current leases. If we close a facility, we generally remain committed to perform our obligations under the applicable lease, which includes the payment of the base rent for the balance of the lease term. Over the course of the last few years, we closed a number of facilities for which we remain liable on the lease obligations. Our obligation to continue making rent payments in respect of leases for closed facilities could have a material adverse effect on our business and results of operations.

Any significant failure or interruption of our information technology systems could adversely affect our business

We use information systems and other technology to conduct and manage our business, including a significant amount of systems and other technology provided by third party providers through outsourcing. Our ability to efficiently run and monitor our decentralized organization is dependent on a well-functioning information technology system integrated throughout the organization. In order to manage our growth and improve our performance, we must maintain and continuously upgrade and improve these technology systems and processes. We may not be able to develop and implement, on a timely basis, projects, systems, procedures and controls required to support the growth and development of our operations. If we are unable to manage our growth and improve our performance, our business, results of operations and financial condition may be materially adversely affected.

We rely on information technology systems that allow us to track and bill our services, communicate with our customers, manage our employees and gather information upon which our management makes decisions regarding our business. The administration of our business is increasingly dependent on the use of these systems. As a result, system failures or disruptions resulting from disasters, computer viruses, hackers or other causes could have a material adverse effect on our business. In addition, pursuant to contracts with third-party vendors, we outsource the operation and maintenance of certain of our information technology systems to seek to ensure effective management of our information technology resources, as well as to improve the cost efficiency of our information technology infrastructure, systems and applications. We rely on the ability of our outsourcing partners to deliver agreed services. Their failure to perform satisfactorily could have a material adverse impact on our business, results of operations and financial condition.

We may be required to make further contributions to our pension schemes if the value of pension fund assets is not sufficient to cover potential obligations

Some of our white-collar employees in Sweden are covered by a defined benefit pension plan, which is accounted for in accordance with IAS 19 under which we are required to provide agreed benefits to current and former employees. Other employees have pensions that are recognized as defined-contribution.

As of December 31, 2019, approximately 30% of our employees had defined benefit pensions. Of these, the Swedish plan for electricity white-collar employees is unfunded and based on final salary, which provides employees with benefits in the form of a guaranteed level of pension disbursements over their lifetimes and is recognized as defined benefit for purposes of our financial statements. For the remaining white-collar employees in Sweden the defined-benefit pension obligations are secured through insurance with Alecta and are accounted for as a defined contribution plan.

Pension scheme liabilities vary with changes to long-term interest rates, inflation, pensionable salaries and the longevity of scheme members. Our liabilities in respect of provisions for pensions increased from SEK 483 million as of December 31, 2017, to SEK 560 million as of December 31, 2018, to SEK 703 million as of December 31, 2019 before decreasing slightly to SEK 690 million as of September 30, 2020, which was driven primarily by a decline in market interest rates, which resulted in the assumed discount rate for defined-benefit obligations decreasing from 2.40% as of December 31, 2018 to 1.40% at December 31, 2019 to 1.30% at September 30, 2020. The increase in liabilities in respect of provisions for pensions also reflects the relatively greater proportion of plan participants that are not eligible for retirement, as compared to the number of former plan participants that have retired. Changes to local legislation and regulations relating to defined benefit plan funding requirements may also result in significant deviations in the timing and size of the expected cash contributions under such plans. For example, in the year ended December 31, 2019, actuarial losses and financial commitments related to pensions liability amounted to SEK 90 million. Increases in our pensions liability could adversely affect our financial condition.

In accordance with the requirements of the pension administrator, we are required to provide bank guarantees in respect of a portion of the Group's defined-benefit pensions obligations. We have been required to increase the amount of our current SEK 240 million bank guarantee (incurred under the Pension Guarantee Facility) by SEK 45 million, which additional amount was initially incurred under the Guarantee Facility. We expect to ultimately incur the full SEK 285 million under the Pension Guarantee Facility once we have increased the SEK 240 million of aggregate commitments thereunder by SEK 45 million, as permitted under the terms of the Pension Guarantee Facility Agreement to reflect increased guarantee requirements by the pension administrator (and to cancel the amount initially incurred under the Guarantee Facility). Our obligations with respect to the Pension Guarantee

Facility and the Guarantee Facility are secured on the Collateral on a super senior basis to the Notes. See “*Description of Certain Financing Arrangements—The Super Senior Facilities*.” Availability of the additional guarantee amounts under the Pension Guarantee Facility or the Guarantee Facility, however, is subject to certain conditions, including compliance with certain financial covenants. Moreover, lenders under the Pension Guarantee Facility may not be able to increase the size of their commitments thereunder in time to satisfy the deadline set by the pension administrator or at all. If the Swedish pensions regulatory authority requires us to provide bank guarantees of our pensions liabilities or increase the size of our pre-existing bank guarantees in excess of the amounts that are available to us, this may result in additional financial obligations being imposed on us by the regulator, which could have a material adverse effect on our financial condition.

Work stoppages or strikes could adversely affect our business

We are required to comply with local labor law requirements (including in respect of minimum salary levels as well as employee conditions) in the jurisdictions where our employees perform their work. Changes with regard to labor laws in any of the jurisdictions in which we operate could restrict our ability to utilize employees away from their home jurisdiction, result in increased labor costs, including increases due to healthcare reforms or minimum wage increase, all of which could have a material adverse effect on our business, results of operation and financial condition.

Many of our employees are members of unions, and most of our employees who work in our warehouses are covered by collective bargaining agreements. We may encounter strikes or other disturbances, or threats of strikes or disturbances occasioned by our unionized labor force and, upon the expiration of existing collective bargaining agreements, we may be unable to reach new collective bargaining agreements on satisfactory terms or without work stoppages, strikes or similar industrial actions. Our inability to negotiate satisfactory terms for new agreements would likely cause our labor costs to increase, which would negatively affect our profit margins if we are unable to pass the additional costs on to our customers.

When we acquire companies and integrate them into our existing operations, we frequently enter into negotiations to restructure or reduce the workforce at the acquired company. We may experience lengthier consultations or even strikes, work stoppages or other industrial actions in the future, particularly when we are engaged in restructuring and reducing our workforce. Any industrial action or threat thereof could disrupt our operations, possibly for a significant period of time, and result in increased wages and benefits or otherwise have a material adverse effect on our business, results of operations and financial condition.

Risks Related to the Fidelix Acquisition

The Fidelix Acquisition is subject to certain conditions and risks

On December 8, 2020, Assemblin AB entered into the Fidelix Acquisition Agreement to acquire the Target from the Sellers. The Fidelix Acquisition is subject to approval from the Finnish competition authority. The parties to the Fidelix Acquisition Agreement will not consummate the Fidelix Acquisition until the conditions under the Fidelix Acquisition Agreement are fulfilled. Accordingly, the parties may not be able to complete the Fidelix Acquisition in a timely fashion, without remedies, or at all. Any such remedies may make the Fidelix Acquisition less attractive.

Consummation of the Fidelix Acquisition is one of the conditions to the release of proceeds of the Offering from the Escrow Account. If the Acquisition is not consummated on or before the Escrow Longstop Date or upon the occurrence of certain other events, the Temporary Notes will be subject to a special mandatory redemption as described in “*Description of the Temporary Notes—Special Mandatory Redemption*” and you may not obtain the return you expect to receive on the Temporary Notes.

The realization of any risks related to uncertainties of the Fidelix Acquisition could have a material adverse effect on our business, financial position and results of operations.

If the conditions to the release of the proceeds of the Offering set forth in the Escrow Agreement are not satisfied, the Temporary Notes will be redeemed and you may not get the return you expect on the Temporary Notes

The gross proceeds from the Offering will be held in the Escrow Account in the name of the Issuer but controlled by the Escrow Agent and pledged in favor of the Temporary Trustee on behalf of the holders of the Temporary Notes pending the satisfaction of certain conditions, some of which are outside of our control. If the Fidelix

Acquisition is not consummated by the Escrow Longstop Date, or upon the occurrence of certain other events, the Temporary Notes will be subject to the Special Mandatory Redemption provision described in “*Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption*” and you may not obtain the investment return you expect to receive on the Notes after the redemption date.

The escrow funds will be initially limited to the gross proceeds of the Offering. The escrow funds will not be sufficient to pay the Special Mandatory Redemption price, which will be equal to 100% of the aggregate issue price of the Temporary Notes plus accrued and unpaid interest and additional amounts then required to be paid under the Temporary Notes, if any, from the Issue Date to, but excluding, the date of the Special Mandatory Redemption. There can be no assurance that we will have sufficient funds to pay the difference between the escrow funds and amounts sufficient to pay the Special Mandatory Redemption price. See “*Description of the Temporary Notes—Escrow of Proceeds; Special Mandatory Redemption*.”

Amendments made to the Fidelix Acquisition Agreement may have adverse consequences for holders of the Notes

The Fidelix Acquisition is expected to be consummated in accordance with the terms of the Fidelix Acquisition Agreement. However, the Fidelix Acquisition Agreement may be amended and the closing conditions may be waived at any time by the parties thereto, without the consent of the holders of the Notes; provided that no material term or condition of the Fidelix Acquisition Agreement has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of the holders of the Temporary Notes (taken as a whole) under the Temporary Indenture (other than any amendment or waiver approved by holders of more than 50% of the outstanding principal amount of the Temporary Notes the proceeds of which are in the Escrow Account). Any amendment made to the Fidelix Acquisition Agreement, or waiver of the conditions to the closing of the Fidelix Acquisition, may be adverse to the interests of the holders of the Notes, which, in turn, may have an adverse effect on the investment return you expect to receive on the Notes.

We do not currently control the Target and will not control the Target until completion of the Fidelix Acquisition

The Target is currently controlled by the Sellers. We will not obtain control of the Target until the completion of the Fidelix Acquisition. We cannot assure you that the Sellers will operate the business during the interim period in the same way that we would and we cannot assure you that, following the Completion Date, we will operate the business in the same way that the Sellers have operated the business in the past. The information contained in this offering memorandum about the Target, including the historical financial information relating to the Target, has been provided to us by the Target’s management, and we have relied on such information supplied to us in the preparation of this offering memorandum.

Furthermore, the Fidelix Acquisition has required, and will likely continue to require, substantial time and focus from management of both the Group and the Target, which could adversely affect our ability to operate the respective businesses of the Group and the Target. The integration process could divert our management’s attention from day-to-day operations or disrupt our ongoing business, which could in turn adversely affect our ability to maintain relationships with customers, suppliers and employees or to achieve the anticipated benefits of the Fidelix Acquisition, or could otherwise adversely affect our business and financial results. See “—*Risks Related to our Business and Industry—Our growth strategy involves acquisitions, and we may experience difficulties identifying acquisition targets, integrating acquired businesses and achieving anticipated synergies.*”

In addition, prior to the Completion Date, the Target will not be subject to the covenants described in “*Description of the Temporary Notes*” and “*Description of the Notes*” to be included in the Temporary Indenture and the Indenture, respectively. As such, we cannot assure you that, prior to such date, the Target will not take an action that would otherwise have been prohibited by the Temporary Indenture or the Indenture had such covenants been applicable.

The Fidelix Acquisition may entitle the Target’s customers and certain of its other business partners to terminate their agreements as a result of change of control provisions

The Fidelix Acquisition will constitute a change of control under certain agreements entered into by the Target and its subsidiaries, such as commercial agreements with some of its suppliers, and will entitle these third parties to terminate their agreements with the Target or, in some cases, request adjustments of the terms of the agreements. In addition, some of the third parties may use their termination or adjustment rights to renegotiate the terms of the agreements to our detriment. We cannot exclude the possibility that some of these third parties may exercise their termination, adjustment or other rights, which could have a material adverse effect on our and the Target’s business, results of operations and financial position following the Fidelix Acquisition.

We may not be able to enforce claims relating to a breach of the representations and warranties provided in connection with the Fidelix Acquisition and our ability to recover losses suffered as a result of such a breach may be limited

In connection with the Fidelix Acquisition, the Sellers have given certain customary representations and warranties and indemnities. Nonetheless, third parties could seek to hold us responsible for any of the liabilities the Sellers have agreed to retain, and we may not be able to enforce any claims against the Sellers relating to breaches of these representations and warranties. For example, the liability of the Sellers under the Fidelix Acquisition Agreement is limited by, among other limitations, certain maximum monetary thresholds, as well as time limits. Moreover, even if we are able to eventually recover any losses resulting from a breach of these representations and warranties, we may temporarily be required to bear these losses ourselves. In addition, if a Seller becomes insolvent or files for bankruptcy, our ability to recover any losses suffered as a result of that Seller's breach may be limited by the liquidity of such Seller or the applicable laws governing the bankruptcy proceedings. In the event of such breach, we could incur losses, which could adversely impact our business, results of operations, financial condition and prospects.

The Target may have liabilities that are not known to us or that are greater than anticipated

The Target may have liabilities that we failed or were unable to discover in the course of performing due diligence investigations in connection with the Fidelix Acquisition. In addition, the extent of liabilities we discovered in connection with our due diligence investigations or after the Fidelix Acquisition may be greater than we expected. We may learn of additional information about Fidelix Holding Oy that adversely affects us, such as unknown or contingent liabilities and issues relating to compliance with applicable laws and regulations. For example, we could become liable for overdue payables of Fidelix Holding Oy to suppliers and employees that are not currently known to us, or we could become subject to tax or pension liabilities in respect of historical periods that we are not currently aware of or the amount of which we underestimated. In conducting our due diligence, we were required to rely on resources available to us, including public information, information provided by the Sellers and third-party consultants and advisers. There can be no assurance that the due diligence we undertook has revealed or highlighted all relevant facts necessary or helpful in evaluating the Fidelix Acquisition. Any such unknown or previously underestimated liabilities, individually or in the aggregate, could have a material adverse effect on our business, financial condition and results of operations and our ability to fulfill our obligations under the Notes.

Risks Related to Our Structure

The Note Guarantees and security interests on the Collateral will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability

The Indenture provides that certain Note Guarantees will be limited to the maximum amount that can be guaranteed by the relevant Guarantor without rendering the relevant Note Guarantee voidable or otherwise ineffective under applicable law and enforcement of each Note Guarantee would be subject to certain generally available defenses. These laws and defenses include those that relate to corporate benefit, fraudulent transfer or conveyance, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally. Additionally, in accordance with local laws, the Security Agent and/or the Trustee may not be able to represent the holders of the Additional Notes in a court process without a specific power of attorney. See *"Limitations on Validity and Enforceability of the Note Guarantees and the Security Interests."*

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and other laws, a court could subordinate or void the Note Guarantees or the security interests in the Collateral granted by the relevant Security Documents and, if payment had already been made under a Note Guarantee or upon enforcement of the Collateral, require that the recipient return the payment to the relevant Guarantor, if the court found that:

- the relevant Note Guarantee or security interest under the Security Documents was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or security provider or, in certain jurisdictions, even when the recipient was simply aware that the Guarantor or security provider was insolvent when it granted the relevant Note Guarantee or security;
- the Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the relevant Note Guarantee or security interest under a Security Document and the Guarantor or security

provider was: (i) insolvent or rendered insolvent because of the relevant Note Guarantee or security interest; (ii) undercapitalized or became undercapitalized because of the relevant Note Guarantee or security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;

- the relevant Note Guarantees or Security Documents were held to exceed the corporate objective of the Guarantor or security provider or not to be in the best interests or for the corporate benefit of the Guarantor or security provider; or
- the amount paid or payable under the relevant Note Guarantee or the enforcement proceeds under the relevant Security Documents was in excess of the maximum amount permitted under applicable law.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, is greater than the fair value of all its assets;
- the present fair saleable value of its assets is less than the amount required to pay the probable liability on its existing debts and liabilities, including contingent liabilities, as they become due; or
- it cannot pay its debts as they become due.

If a court were to find that the issuance of the Notes or a Note Guarantee was a fraudulent conveyance or held it unenforceable for any other reason, the court could hold that the payment obligations under the Notes or such Guarantee are ineffective, or require the holders of the Notes to repay any amounts received with respect to the Notes or such Note Guarantee. In the event of a finding that a fraudulent conveyance occurred, you may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of the other Guarantors under any Note Guarantees that have not been declared void.

Additionally, any future pledge of Collateral in favor of the Security Agent, including pursuant to Security Documents delivered after the date of the Indenture, might be avoidable by the security provider (as debtor-in-possession) or by its trustee in bankruptcy (or similar officer) if certain events or circumstances exist or occur, including, among others, if the security provider is insolvent at the time of the pledge, the pledge permits the holders of the Additional Notes to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the security provider is commenced within three months following the pledge, or in certain circumstances, a longer period.

In order to receive the benefit of a security interest, the secured creditors must hold secured claims (in other words, the secured party and the creditor have to be the same person).

In addition, under the terms of the Indenture, we are permitted in the future to incur additional indebtedness and other obligations that may share in the liens on the Collateral securing the Additional Notes and the liens on the collateral securing our other secured debt. The granting of new security interests may require the releasing and retaking of security or otherwise create new hardening periods in certain jurisdictions. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and it may not be possible to enforce it.

The insolvency laws of Sweden and Norway may not be as favorable to you as U.S. bankruptcy laws and may preclude holders of the Notes from recovering payments due on the Notes

The Issuer is established under the laws of Sweden, and certain of the Guarantors are established under the laws of Sweden and Norway. Consequently, in the event of a bankruptcy or insolvency of the Issuer or any of the Guarantors, insolvency proceedings with respect to the Issuer or the Guarantors would most likely be based on and governed by the insolvency laws of the jurisdiction under which the relevant entity is established. The insolvency laws of Sweden and Norway may be less favorable to your interests as creditors than the bankruptcy laws of the United States or another jurisdiction with which you may be familiar, particularly with respect to the priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceedings. The application of these laws, and any conflict between them, may limit your ability to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws. See *“Limitations on Validity and Enforceability of the Note Guarantees and the Security Interests.”*

Enforcing your rights as a holder of Notes or under the Note Guarantees or security across multiple jurisdictions may prove difficult

The Issuer is incorporated under the laws of Sweden and the Guarantors are incorporated or organized under the laws of Sweden and Norway. The Collateral for the Additional Notes will include the shares of certain of our subsidiaries incorporated under the laws of these jurisdictions, as well as shares in the Target, which is incorporated under the laws of Finland. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Sweden, Norway and Finland. Such multijurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes, the Note Guarantees and the Collateral will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings. The multijurisdictional nature of enforcement over the Collateral may limit the realizable value of the Collateral.

Moreover, in certain jurisdictions, it is unclear whether all security interests in the Collateral give the Security Agent a right to prevent other creditors from foreclosing on and realizing the Collateral or whether certain security interests only give the Security Agent priority in the distribution of any proceeds of such realization. Accordingly, the Security Agent and holders of the Additional Notes may not be able to avoid foreclosure by other creditors (including unsecured creditors) on the Collateral.

You may be unable to recover in civil proceedings for U.S. securities laws violations

The Issuer is organized under the laws of Sweden and the Guarantors are organized under the laws of Sweden and Norway. Neither the Issuer nor the Guarantors have assets in the United States. Some or all of the directors and executive officers of the Issuer may be non-residents of the United States and many of their assets will be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Issuer or its directors and executive officers, or to enforce any judgments obtained in U.S. courts predicated upon civil liability provisions of U.S. securities laws. In addition, the Issuer cannot assure investors that civil liabilities predicated upon federal securities laws of the United States will be enforceable in Sweden. See “*Limitations on Validity and Enforceability of the Note Guarantees and the Security Interests.*”

Risks Related to Our Financial Profile

Our substantial leverage and debt service obligations may make it difficult for us to fulfil our obligations under the Notes and operate our business

We have a substantial amount of outstanding indebtedness with significant debt service requirements. After giving effect to the Transactions (excluding the Fidelix Acquisition, but including the Offering and the use of proceeds thereof), our total financial indebtedness (including the Temporary Notes) would have been SEK 4,459 million (or approximately €384 million) as of September 30, 2020.

Our significant leverage could have important consequences for holders of the Notes, including, but not limited to:

- making it more difficult for us to satisfy our obligations with respect to the Notes and our other debt and liabilities;
- requiring us to dedicate a substantial portion of our cash flow to payments on our debt instead of operations, thus reducing the availability of our cash flow to fund internal growth through working capital, capital expenditures, acquisitions, joint ventures, product research and development, and other general corporate purposes;
- increasing our vulnerability to, and reducing our flexibility to respond to, a downturn in our business, or generally adverse economic or industry conditions;
- placing us at a competitive disadvantage compared to our competitors that are not as highly leveraged as us;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive environment and industry;
- restricting us from pursuing strategic acquisitions or exploiting certain business opportunities;
- limiting, among other things, our and our subsidiaries’ ability to borrow additional funds, including with respect to financial leases on which we rely for replacement and expansion of our vehicle fleet, or raise equity capital in the future and increasing the costs of such additional financings;

- exposing us to risks that are inherent in interest rate fluctuations because certain of our indebtedness (including the Notes) bears variable rates of interest; and
- subjecting us to restrictive covenants, including, in the case of our Super Senior Facilities, financial covenants, the non-compliance with which could result in an event of default under, or acceleration of, our indebtedness.

In addition, over the next three years, additional variable cash consideration of up to approximately SEK 160 million may be payable in connection with acquisitions we have undertaken as of the date hereof.

We primarily expect to use cash flow from operations and borrowings under our Super Senior Facilities to finance our operations, service our indebtedness and fund capital expenditures. Our ability to make these payments depends on our future performance, which will be affected by financial, business, economic, regulatory and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future, which could result in us being unable to service or repay indebtedness or fund other liquidity needs. If we cannot service our indebtedness and meet our other obligations and commitments, we might be required to refinance our debt or dispose of assets to obtain funds for such purpose. We cannot assure you that such refinancings or asset disposals could be effected on a timely basis or on satisfactory terms, if at all, or would be permitted by the terms of our debt instruments.

Despite our high level of indebtedness and restrictive covenants, we and our subsidiaries will still be able to incur significant additional amounts of debt or make certain restricted payments, which could further exacerbate the risks associated with our substantial leverage

We and our subsidiaries may be able to incur substantial additional indebtedness, including additional secured indebtedness, in the future. Although the Temporary Indenture, the Indenture and the Super Senior Facilities Agreement contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness (including secured indebtedness) that could be incurred in compliance with these restrictions could be substantial. Following this Offering, we expect to have SEK 640 million immediately available for borrowing under our Revolving Credit Facility, and SEK 200 million under our Guarantee Facility. Under the Temporary Indenture and the Indenture, in addition to specified permitted debt, we can incur additional indebtedness so long as on a pro forma basis our fixed charge coverage ratio (as defined in the Temporary Indenture and Indenture) is at least 2.0 to 1.0 and additional indebtedness sharing in the Collateral securing the Additional Notes so long as on a pro forma basis our consolidated senior secured net leverage ratio (as calculated in accordance with the “*Description of the Notes*”) is no greater than 4.3x to 1.0. In addition, neither the Temporary Indenture, the Indenture nor the agreement governing our Super Senior Facilities prevent us from incurring obligations that do not constitute indebtedness under those agreements. Moreover, some of the debt we may incur in the future could be effectively and structurally senior to the Notes and may be secured by collateral that does not secure the Notes. The incurrence of additional debt would increase the leverage-related risks described in this offering memorandum. If we are able to designate some of our restricted subsidiaries under the Temporary Indenture and the Indenture as unrestricted subsidiaries, those unrestricted subsidiaries would be permitted to borrow beyond the limitations specified in the Temporary Indenture and the Indenture and engage in other activities in which restricted subsidiaries may not engage. We are also permitted to invest in joint ventures and acquisitions, which may increase our indebtedness. Moreover, although the Temporary Indenture, the Indenture and the agreement governing our Super Senior Facilities contain restrictions on our ability to make restricted payments, including the declaration and payment of dividends, we are able to make substantial restricted payments under certain circumstances. Under the Temporary Indenture and the Indenture, for example, we are able to make dividends, distributions, loans or other payments to any Parent (as defined therein) so long as on a pro forma basis our specified consolidated total net leverage ratio (as calculated in accordance with the “*Description of the Notes*”) does not exceed 3.0 to 1.0 on a net basis. Adding new debt to our and our subsidiaries’ existing debt levels or making restricted payments could exacerbate the risks associated with our substantial leverage described above, including our possible inability to service our debt.

We may not be able to generate sufficient cash to service our indebtedness, including due to factors outside our control, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful

Our ability to service our indebtedness will depend on our future performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. Some of these factors are

beyond our control. In addition, our ability to borrow funds in the future to make payments on our debt will depend on the satisfaction of the covenants in our debt agreements, including the Temporary Indenture and the Indenture, and other agreements we may enter into in the future. We cannot assure you that our business will generate sufficient cash flows from operations or that future borrowings will be available to us in an amount sufficient to enable us to make interest and principal payments on our debt, including the Notes, or to fund our other liquidity needs.

If our cash flows from operations and capital resources are insufficient to fund our debt obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital, forego opportunities, or seek to restructure or refinance our indebtedness, including the Notes. These alternative measures may not be successful and may not be sufficient to enable us to meet our scheduled debt obligations. In the absence of such cash flows and resources, we could face substantial liquidity problems and could be required to sell material assets to attempt to meet our debt service and other obligations. We may not be able to consummate those asset sales to raise capital or sell assets at prices and on terms that we believe are fair, and any proceeds that we receive may not be adequate to meet any debt obligations then due. If we cannot meet our debt obligations, the holders of our debt may accelerate our debt and, to the extent such debt is secured, foreclose on our assets securing such debt. In such an event, we may not have sufficient assets to repay all of our debt.

In addition, any failure to make payments of interest or principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. For a discussion of our cash flows and liquidity, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Liquidity and Capital Resources.*”

We are subject to restrictive debt covenants limit our flexibility in operating our business and our ability to raise additional funds

The Temporary Indenture, the Indenture and the agreement governing our Super Senior Facilities contain covenants that significantly restrict our ability to:

- incur or guarantee additional indebtedness and issue certain preferred stock;
- incur or permit to exist certain liens;
- make certain payments, including dividends or other distributions, with respect to Capital Stock;
- prepay or redeem subordinated debt or Capital Stock;
- make certain loans or other investments;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to, and on the transfer of assets to the Issuer or any of its restricted subsidiaries;
- sell, lease or transfer certain assets, including Capital Stock of restricted subsidiaries;
- engage in certain transactions with affiliates;
- issue or sell the share capital of certain subsidiaries;
- consummate a change of control;
- consolidate or merge with other entities or sell substantially all of our assets; and
- impair the security interests for the benefit of the holders of the Notes.

Each of the covenants is subject to a number of important exceptions and qualifications. See “*Description of Certain Financing Arrangements—The Super Senior Facilities*” and “*Description of the Senior Secured Notes—Certain Covenants.*” Despite these exceptions and qualifications, the covenants contained in the Temporary Indenture, the Indenture and the agreement governing our Super Senior Facilities could materially affect our ability to operate our business and may limit our ability to react to market conditions, raise additional debt or equity financing to operate during general economic or business downturns, take advantage of potential business opportunities as they arise or grow in accordance with our strategy. For example, such restrictions could adversely affect our ability to finance our operations, make strategic acquisitions, investments or alliances, restructure our organization or finance our capital needs.

Additionally, our Super Senior Facilities Agreement requires us to maintain a senior secured net leverage ratio, which must not exceed 7.2x to 1.0, tested quarterly, and our ability to meet that financial ratio can be affected by

events beyond our control, including prevailing economic, financial and industry conditions. A breach of any of those covenants or restrictions could result in an event of default under the agreement governing the Super Senior Facilities, and the relevant lenders, subject to applicable cure periods and other limitations on acceleration or enforcement, could cancel the availability of the Super Senior Facilities and elect to declare all amounts outstanding thereunder, together with accrued interest, immediately due and payable. In addition, a default under the agreement governing the Super Senior Facilities could lead to an event of default and acceleration under other debt instruments that contain cross-default or cross-acceleration provisions, including the Temporary Indenture and the Indenture. If our creditors, including the lenders under the Super Senior Facilities, accelerate the payment of those amounts, we cannot assure you that our assets and the assets of our subsidiaries would be sufficient to repay in full those amounts, and to satisfy all other liabilities of our subsidiaries which would be due and payable and to make payments to enable us to repay the Notes, in full or in part. In addition, if we are unable to repay those amounts, our creditors could proceed against any collateral granted to them to secure repayment of those amounts.

The Original Notes and drawings under the Revolving Credit Facility bear, and the Temporary Notes and the Additional Notes will bear, interest at floating rates that could rise significantly, increasing our costs and reducing our cash flow

The Original Notes bear, and the Temporary Notes and the Additional Notes will bear, interest at floating rates of interest per annum equal to EURIBOR and drawings under the Revolving Credit Facility bear interest at floating rates of interest per annum equal to STIBOR in relation to cash advances in Swedish krona (or, in relation to cash advances in euro, EURIBOR, in relation to cash advances in Norwegian kroner, NIBOR, and, in relation to cash advances in Danish krona, CIBOR, and, in relation to cash advances in any other currency, LIBOR (each with a zero floor)), as adjusted periodically, plus a spread. In addition, the Temporary Indenture and the Indenture permit us to incur additional indebtedness, which may bear a floating rate of interest. These interest rates could rise significantly in the future. To the extent that interest rates or any drawings were to increase significantly our interest expense would correspondingly increase, reducing our cash flow. Although we may enter into certain hedging arrangements designed to fix a portion of these rates, there can be no assurance that hedging will be available or continue to be available on commercially reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any hedging arrangements. Further, there may be a mismatch between the successor rates applied in respect of the Group's floating rate debt and the successor rates applied in respect of hedging arrangements thereon, which may render such hedging arrangements ineffective in managing the Group's interest rate risks.

Uncertainty relating to the calculation of EURIBOR or LIBOR or a discontinuance of such rates or any regulatory reform affecting such rates may materially adversely affect the value of and return on our floating rate debt, including the Notes

Following allegations of manipulation of LIBOR, a measure of interbank lending rates, regulators and law enforcement agencies from a number of governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of daily EURIBOR or the calculation of LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. In addition, LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on July 27, 2017, the U.K. Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "FCA Announcement"). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or LIBOR is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark. Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

The Temporary Indenture and the Indenture provide a mechanism whereby, if EURIBOR is no longer being calculated or administered, the Issuer could cause an independent financial advisor to determine an appropriate successor rate, and make certain adjustments to such rate, including applying a spread thereon to make such successor rate substantially comparable to EURIBOR, which upon certification by the Issuer to each of the Temporary Trustee, the Trustee, the Calculation Agent and the Paying Agent will be used to calculate the interest rate in relation to the Notes without any further action or consent by the Holders or the Trustee or the Temporary Trustee. This would mean that interest on the Notes would be determined on the basis of a benchmark rate, together with adjustments, that was not contemplated at the time you purchased the Notes. In addition, due to the uncertainty concerning the availability of an appropriate successor rate and the involvement of an independent financial advisor, the Temporary Indenture's or the Indenture's successor rate mechanism may not operate as intended at the relevant time.

Any elimination of the EURIBOR benchmark, or changes in the manner of administration of EURIBOR, could require an adjustment to the terms and conditions of our floating rate debt. Any such consequence could have a material adverse effect on the value of and return on any such floating rate debt. If EURIBOR were discontinued or otherwise unavailable, the rate of interest on our floating rate debt will be determined for the relevant period by the fallback provisions applicable to such debt.

Risks Related to the Notes and the Collateral

Creditors under the Super Senior Facilities, any credit facility that refinances or replaces the Super Senior Facilities, certain hedging obligations and certain other indebtedness and obligations permitted to be incurred on a priority basis under the Indenture are entitled to be repaid in priority to the Notes

The Original Notes are, and the Additional Notes will be, guaranteed by the same entities that also guarantee the Super Senior Facilities. Furthermore, the Original Notes and the Additional Notes and the Notes Guarantees are or will be secured on a first-priority basis by the same Collateral securing the obligations under the Super Senior Facilities. In addition, under the terms of the Temporary Indenture and the Indenture, we are permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral on a *pari passu* basis with the Notes and, in certain circumstances, receive proceeds from enforcement of Collateral prior to the Notes. The Temporary Indenture and the Indenture permit and the Intercreditor Agreement permits hedging and certain other indebtedness incurred in accordance with the Temporary Indenture and the Indenture to be secured on a priority basis.

Pursuant to the Intercreditor Agreement, the first-priority security interests securing the Additional Notes are contractually deemed to rank equally with the security interests that secure (but only to the extent that such security is expressed to secure those liabilities) (i) obligations under the Super Senior Facilities, including obligations under the Revolving Credit Facility, the Guarantee Facility and the Pension Guarantee Facility, (ii) certain obligations under hedging arrangements and (iii) certain other future indebtedness and obligations permitted to be incurred under the Temporary Indenture and the Indenture. Such security interests are, or will be, evidenced by security documents for the benefit of (whether directly or through the Security Agent) the holders of the Additional Notes, the lenders under the Super Senior Facilities and/or the holders of certain other future indebtedness permitted to be incurred under the Temporary Indenture and the Indenture. Under the terms of the Intercreditor Agreement, subject to certain conditions, in the event of acceleration of the Super Senior Facilities, the Additional Notes or other secured obligations, amounts recovered in respect of the Collateral, will be required to repay indebtedness in respect of the Super Senior Facilities, including obligations under the Revolving Credit Facility, the Guarantee Facility and the Pension Guarantee Facility, as well as certain Hedging Obligations, certain future indebtedness and hedging obligations (if any) in priority to the Additional Notes, following the payment of fees and expenses of the agent under the Super Senior Facilities, the Trustee and the Security Agent (and any receiver or delegate) and any fees and expenses of any other creditor representative of future indebtedness permitted under the terms of the Temporary Indenture and the Indenture to benefit from such security interests. As a result, proceeds from the enforcement of the Collateral may be insufficient to pay claims under the Additional Notes. In addition, claims of our secured creditors that are secured by assets that do not also secure the Additional Notes will have priority with respect to such assets over the claims of holders of the Additional Notes.

The Intercreditor Agreement provides that a common security agent, who will serve as the Security Agent for the secured parties with respect to the Collateral, will act only as provided for in the Intercreditor Agreement. The Security Agent may refrain from enforcing the Collateral unless otherwise instructed by the Instructing Group (as defined in the Intercreditor Agreement) for the purpose of enforcement. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” and “*Description of the Notes—Security*.”

Creditors under Super Senior Facilities may have interests that are different from the interests of holders of the Notes and they may, subject to the terms of the Intercreditor Agreement, elect to pursue their remedies under the security documents at a time when it would be disadvantageous for the holders of the Additional Notes to do so.

In addition, if the Security Agent sells the Collateral as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Additional Notes and the Notes Guarantees and the liens over any other assets of such entities securing such Notes and Notes Guarantees may be released. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” and “*Description of the Notes—Security*.”

Holders of the Original Notes and the Additional Notes may not control certain decisions regarding the Collateral

The Original Notes are, and the Additional Notes will be, to the extent permitted under applicable law and subject to the Agreed Security Principles, secured on a first-ranking basis by substantially the same rights, property and assets securing the obligations under the Super Senior Facilities, including obligations under the Revolving Credit Facility, the Guarantee Facility and the Pension Guarantee Facility. In addition, under the terms of the Temporary Indenture and the Indenture, we are permitted to incur significant additional indebtedness and other obligations that may be secured by the same Collateral.

Pursuant to the Intercreditor Agreement, a common security agent will serve as the Security Agent for the secured parties under the Super Senior Facilities, the Original Notes, the Additional Notes and the hedging arrangements (if any), respectively, with regard to the shared Collateral (as applicable). The Intercreditor Agreement provides that the Security Agent will, subject to certain limited exceptions, act to enforce the security interests in the Collateral and take instructions from the relevant secured creditors in respect of the Collateral only at the direction of an “instructing group.”

Generally, if there are conflicting enforcement instructions received by the Security Agent from the different classes of creditors which are secured by the Collateral and who can constitute either “majority super senior creditors” (generally lenders under the Pension Guarantee Facility and any additional Pension Guarantee Facility whose credit participations represent more than 66 2/3% of the aggregate credit participations of all Pension Guarantee Facility lenders), “majority super senior creditors” (generally, creditors representing 50.1% of the aggregate of all unpaid and undrawn commitments under the Revolving Credit Facility and the Guarantee Facility (or any replacement thereof) and the termination value or assumed termination value of certain future “super priority” hedging obligations, if any) or “majority senior secured creditors” (generally, creditors representing the majority of the outstanding principal amount under the Original Notes and the Additional Notes, any *pari passu* secured indebtedness and the termination value or assumed termination value of certain future hedging obligations which are not given “super priority” status, if any), as the case may be, the representatives of the creditors sharing in the Collateral are required to first consult in good faith with each other (in each case, including the Trustee on behalf of the holders of the Original Notes and the Additional Notes, the agent on behalf of lenders under the Pension Guarantee Facility (or any replacement thereof) and the agent on behalf of the lenders under the Revolving Credit Facility (or any replacement thereof) and the Security Agent, for a period of 15 days (or such shorter period as may be agreed) with a view to coordinating the instructions to be given by an instructing group and agreeing an enforcement strategy (a “joint enforcement strategy”). Upon conclusion of this “consultation period,” if the relevant creditor representatives are unable to agree on a joint enforcement strategy or if conflicting enforcement instructions are received by the Security Agent from the different classes of creditors which are secured by the Collateral and who can constitute an instructing group, and provided that the “security enforcement principles” set out in the Intercreditor Agreement have been complied with, then the majority senior secured creditors shall constitute an instructing group and shall have the right to instruct the Security Agent as to the enforcement of the Collateral.

Notwithstanding the foregoing, no consultation period shall be required if either (i) any of the Collateral becomes enforceable because of an insolvency event in respect of the Issuer, Midco or certain members of the Group, (ii) the majority super senior creditors, majority super senior creditors or the majority senior secured creditors determine in good faith that entering into consultation could reasonably be expected to have a material adverse effect on the Security Agent’s ability to enforce any of the Collateral or to reduce the amount likely to be realized upon enforcement of the Collateral to a level such that the obligations to the “super senior creditors” would not be discharged in full, or (iii) the relevant creditor representatives are in agreement as to any proposed enforcement action, in which case, the Security Agent shall act in accordance with the instructions provided by the majority senior secured creditors (provided that such instructions are consistent with the security enforcement principles set forth in the Intercreditor Agreement).

Generally, if the Security Agent is obliged to follow the enforcement instructions of the majority senior secured creditors as discussed above and either (i) the lenders under the Revolving Credit Facility (or any replacement thereof) (together with any “super priority” hedging obligations) have not been repaid in full in cash within six months of the end of the consultation period, (ii) the Security Agent has not commenced any enforcement action (or any transaction in lieu) in respect of the relevant Collateral within three months of the end of the consultation period or (iii) an insolvency event has occurred in respect of the Issuer or certain members of the Group and the Security Agent has not commenced enforcement (or any transaction in lieu) of the relevant Collateral or taken any other enforcement action at that time, then, the Security Agent shall, provided that the security enforcement principles set out in the Intercreditor Agreement have been complied with, instead follow the instructions that are given by the majority super senior creditors (and the terms of the relevant previous enforcement instructions of the majority senior secured creditors which conflict with the instructions of the majority super senior creditors shall be deemed revoked).

Further, generally, if the Security Agent is obliged to follow the enforcement instructions of the majority super senior creditors or the majority senior secured creditors as discussed above and either (i) the lenders under the Pension Guarantee Facility (or any replacement thereof) have not been repaid in full in cash within twelve months of the end of the consultation period, (ii) the Security Agent has not commenced any enforcement action (or any transaction in lieu) in respect of the relevant Collateral within nine months of the end of the consultation period or (iii) an insolvency event has occurred in respect of the Issuer or certain members of the Group and the Security Agent has not commenced enforcement (or any transaction in lieu) of the relevant Collateral or taken any other enforcement action at that time, then, the Security Agent shall, provided that the security enforcement principles set out in the Intercreditor Agreement have been complied with, instead follow the instructions that are given by the majority super senior creditors (and the terms of the relevant previous enforcement instructions of the majority senior secured creditors or majority super senior secured creditors which conflict with the instructions of the majority super senior creditors shall be deemed revoked).

The foregoing security enforcement arrangements could be disadvantageous to the holders of the Additional Notes in a number of respects.

Disputes may occur between the holders of the Additional Notes and creditors under our Super Senior Facilities (under any of the Revolving Credit Facility, the Guarantee Facility and the Pension Guarantee Facility), counterparties to certain hedging arrangements, if any, and/or holders of any permitted pari passu secured indebtedness as to the appropriate manner of pursuing enforcement remedies and strategies with respect to the Collateral securing such obligations. In such an event, the holders of the Additional Notes will be bound by any decisions of the relevant instructing group, which may result in enforcement action in respect of the relevant Collateral, whether or not such action is approved by the holders of the Additional Notes or may be adverse to such holders of Additional Notes. The creditors under the Super Senior Facilities (under any of the Revolving Credit Facility, the Guarantee Facility and the Pension Guarantee Facility), counterparties to certain hedging arrangements, if any, or the holders of any permitted pari passu secured indebtedness may have interests that are different from the interest of holders of the Additional Notes and they may elect to pursue their remedies under the relevant Security Documents at a time when it would otherwise be disadvantageous for the holders of the Additional Notes to do so.

Other creditors not party to the Intercreditor Agreement could commence enforcement action against the Issuer or one or more of the Issuer’s subsidiaries during the consultation period or the Issuer or one or more of the Issuer’s subsidiaries could seek protection under applicable bankruptcy laws, or the value of certain Collateral could otherwise be impaired or reduced in value. In addition, if we incur substantial additional indebtedness which may be secured on the Collateral, the holders of the Additional Notes may not comprise the requisite majority senior secured creditors for the purposes of instructing the Security Agent. Further, if the super senior creditors have not been repaid in full within six months of the end of the consultation period or in the event of the occurrence of certain other circumstances described above, then control of the enforcement proceedings will shift to the majority super senior creditors and if the super super senior creditors have not been repaid in full within twelve months of the end of the consultation period or in the event of the occurrence of certain other circumstances described above, then control of the enforcement proceedings will shift to the majority super super senior creditors.

The holders of the Additional Notes will also have no separate right to enforce the Collateral securing the Additional Notes. In addition, the holders of the Additional Notes will not be able to instruct the Security Agent, force a sale of Collateral or otherwise independently pursue the remedies of a secured creditor under the relevant Security Documents, unless they comprise an instructing group which is entitled to give such instructions, which, in turn, will depend on certain conditions and circumstances including those described above.

In addition, if the Security Agent sells any of the Collateral as a result of an enforcement action in accordance with the Intercreditor Agreement, claims under the Additional Notes and over any other assets securing the Additional Notes may be released. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” and “*Description of the Notes—Security—Release of Liens*.”

The Collateral may not be sufficient to secure the obligations under the Additional Notes

The Original Notes, the Additional Notes and the Notes Guarantees are or will be secured by first-priority security interests in the Collateral described in this offering memorandum, which Collateral also secures the obligations under the Super Senior Facilities, certain hedging obligations and may secure certain future obligations. The Revolving Credit Facility is part of the Super Senior Facilities which also include a SEK 200 million Guarantee Facility and a SEK 240 million Pension Guarantee Facility. We may increase the amounts available under Super Senior Facilities or incur additional super senior liabilities as a result of which the amount of indebtedness and obligations that will benefit from “super priority” first-priority security interests in the Collateral may be increased up to the amount permitted under the Temporary Indenture and the Indenture. The Temporary Indenture and the Indenture do not prohibit any increases to the amount of the Pension Guarantee Facility secured on the Collateral nor provide any cap in respect of such amount. For example, we have been required to increase the amount of our current SEK 240 million bank guarantee incurred under the Pension Guarantee Facility by SEK 45 million. Although we have initially incurred this additional amount of SEK 45 million under the Guarantee Facility, we expect to ultimately incur the full SEK 285 million under the Pension Guarantee Facility once we have increased the SEK 240 million of aggregate commitments thereunder by SEK 45 million, as permitted under the terms of the Pension Guarantee Facility Agreement to reflect increased guarantee requirements by the pension administrator (and to cancel the amount initially incurred under the Guarantee Facility). Thus any amount of Pension Guarantee Facility (or replacement facility utilized for the same purposes) will be secured in priority to the Additional Notes. The Collateral may also secure additional debt ranking pari passu with the Additional Notes to the extent permitted by the terms of the Temporary Indenture, the Indenture and the Intercreditor Agreement. The rights of the holders of the Additional Notes to the Collateral may therefore be diluted by any increase in the debt secured by first-priority liens on the Collateral.

If there is an event of default on the Additional Notes, the holders of the Additional Notes will be secured only by the Collateral. There is no guarantee that the value of the Collateral will be sufficient to enable the Issuer to satisfy its obligations under the Additional Notes. The proceeds of any sale of the Collateral following an event of default with respect to the Additional Notes may not be sufficient to satisfy, and may be substantially less than, amounts due on the Additional Notes.

The value of the Collateral is based on certain assumptions. The fair market value of the Collateral at any point in time may be subject to fluctuations based on factors that include, among others, general economic conditions, industry conditions and similar factors. The amount to be received upon an enforcement of such Collateral will depend upon many factors, including, among others, the ability to sell the Collateral in an orderly sale, the condition of the economies in which operations are located and the availability of buyers, whether or not our business is sold as a going concern, the ability to readily liquidate the Collateral and the fair market value and condition of the Collateral. Furthermore, there may not be any buyer willing and able to purchase our business as a going concern, or willing to buy a significant portion of our assets in the event of an enforcement action. As a result, the book value of the Collateral should not be conclusively relied on as a measure of realizable value for such assets following the occurrence of an event of default or enforcement event under the Intercreditor Agreement, the Indenture or the Super Senior Facilities. All or a portion of the Collateral may be illiquid and may have no readily ascertainable market value. Likewise, we cannot assure you that there will be a market for the sale of the Collateral, or, if such a market exists, that there will not be a substantial delay in our liquidation. In addition, the security granted over the shares of an entity may be of no value if that entity is subject to an insolvency or bankruptcy proceeding.

To the extent that liens, security interests and other rights granted to other parties encumber assets owned by the Issuer or the Guarantors, those parties have or may exercise rights and remedies with respect to the property subject to their liens, security interests or other rights that could adversely affect the value of that Collateral and the ability of the Security Agent, the Trustee or investors as holders of the Additional Notes to realize or enforce that Collateral. If the proceeds of any sale of Collateral are not sufficient to repay all amounts due on the Additional Notes and the Notes Guarantees, investors (to the extent not repaid from the proceeds of the sale of the Collateral) would have only an unsecured claim (if the relevant guarantee has not been released) against the Issuer’s and the Guarantors’ remaining assets. Each of these factors or any challenge to the validity of the Collateral or the intercreditor arrangement governing our creditors’ rights could reduce the proceeds realized upon enforcement of the Collateral.

In addition, the Collateral may not be liquid, and its value to other parties may be less than its value to us. Likewise, we cannot assure you that there will be a market for the pledged shares or other Collateral or, if such market does exist, that there will not be substantial delays in their liquidation. In addition, the value of this Collateral may fluctuate over time.

The Collateral secures amounts under certain guarantee facilities which are more likely to become due in circumstances when an enforcement action may be taken

The Super Senior Facilities comprise the Revolving Credit Facility, the Guarantee Facility and the Pension Guarantee Facility. The Revolving Credit Facility may be utilized by the drawing of cash advances, the issue of bank guarantees and documentary credits (including letters of credit and performance bonds) and by way of ancillary facilities. The Guarantee Facility may be utilized by the issue of letters of credits, bank guarantees and by way of ancillary facilities by way of guarantee facilities and the Pension Guarantee Facility may be utilized by the issue of bank guarantees and by way of ancillary facilities by way of pension guarantee facilities. The Pension Guarantee Facility is intended to provide a guarantee required by the Swedish pension regulatory authorities in respect of the Group's defined benefit pensions obligations.

In the ordinary course of business, amounts under the Guarantee Facility and the Pension Guarantee Facility are likely to operate in a contingent manner rather than requiring immediate repayment. However, in the types of circumstances where the Collateral may become enforceable, including upon a payment default or insolvency related default under the Notes, the Revolving Credit Facility, the Guarantee Facility or the Pension Guarantee Facility, these contingent claims are more likely to crystallize. This may occur, for instance, if contractual parties that have been provided guarantees under project contracts will call on their guarantees. This will mean that amounts under such facilities will become due and payable, and as discussed above, will recover the proceeds of Collateral in priority to the Additional Notes.

As described above, if the Super Senior Facilities are not repaid in full in prescribed amounts of time as set forth in the Intercreditor Agreement, creditors under the Revolving Credit Facility and Guarantee Facility as super senior creditors and / or creditors under the Pension Guarantee Facility as super super senior creditors will become the instructing group for enforcement of the security.

The Additional Notes will not be initially secured by all of the Collateral

Upon the Temporary Notes Exchange, the Additional Notes will not be secured by all of the Collateral, as further described under "*Description of the Notes—Security.*" Upon the Temporary Notes Exchange, the Additional Notes will be secured by the Completion Date Collateral. Within 60 business days of the Completion Date, the Additional Notes will be secured by the Post-Completion Date Collateral. The security interests will be limited to the same extent as those under the Super Senior Facilities and otherwise as set forth under "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests,*" which limitations could be significant. It should be noted that if a guarantee or a security interest granted by a Guarantor in certain jurisdictions is granted or perfected after the secured obligation arose, such guarantee or security interest may be subject to claw-back provisions under applicable local insolvency laws.

It may be difficult to realize the value of the Collateral securing the Additional Notes

The Collateral securing the Additional Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections permitted under the Indenture and the Intercreditor Agreement and accepted by other creditors that have the benefit of security interests in the Collateral from time to time. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Additional Notes, as well as the ability of the Security Agent to realize or foreclose on such Collateral. Furthermore, the first-priority ranking of security interests with respect to the Additional Notes can be affected by a variety of factors, including, among others, the timely satisfaction of perfection requirements, statutory liens or re-characterization under the laws of certain jurisdictions.

The security interests of the Security Agent will be subject to practical problems generally associated with the realization of security interests in the Collateral. For example, the enforcement of share pledges, whether by means of a public auction or a private sale, may be subject to certain specific requirements and the Security Agent may need to obtain the consent of a third-party to enforce a security interest. We cannot assure you that the Security Agent will be able to obtain any such consents. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure on such assets. Accordingly, the Security

Agent may not have the ability to foreclose upon those assets, and the value of the Collateral may significantly decrease. See “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*” for further information.

The granting of the security interests in connection with the issuance of the Additional Notes, or the incurrence of permitted debt or other obligations in the future, may create or restart hardening periods

The granting of security interests to secure the Additional Notes and the Notes Guarantees may create hardening periods for such security interests. The granting of shared security interests to secure future indebtedness or other obligations permitted to be secured on the Collateral may restart or reopen such hardening periods in particular, because the Indenture permits the release and retaking of security granted in favor of the Additional Notes in certain circumstances, including in connection with the incurrence of future indebtedness. The applicable hardening period for these new security interests can run from the moment each new security interest has been granted, perfected or recreated. Each time, if the security interest granted, perfected or recreated were to be enforced before the end of the respective hardening period, it may be declared void or ineffective and/or it may not be possible to enforce it. To the extent that the grant of any security interest is voided, holders of the Additional Notes would lose the benefit of the security interest.

The same rights and risks also will apply with respect to future security interests granted in connection with the accession of further subsidiaries as additional Guarantors and the granting of security interests over their relevant assets and equity interests for the benefit of holders of the Additional Notes. See “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*.”

Your rights in the Collateral may be adversely affected by the failure to perfect security interests in the Collateral

Under applicable law, a security interest in certain assets can only be properly perfected, and its priority retained, through certain actions undertaken by the secured party and/or the grantor, as applicable, of the security. The liens on the Collateral securing the Additional Notes may not be perfected with respect to the claims of the Additional Notes if we fail or are unable to take the actions required to perfect any of these liens.

Absent perfection, the holder of the security interest may have difficulty enforcing such holder’s rights in the Collateral with regard to third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same Collateral and some security interests do not actually create the purported security interest if not properly perfected. In addition, a debtor may discharge its obligation by paying the security provider until, but not after, the debtor receives a notification of the existence of the security interest granted by the security provider in favor of the security taken over the claims the security taker (as creditor) has against the debtor. Finally, since the ranking of pledges is sometimes determined by the date on which they became enforceable against third parties, a security interest created on a later date over the same Collateral, but which came into force for third parties earlier (by way of registration in the appropriate register or by notification) may have priority. Neither the Trustee nor the Security Agent has any obligation or responsibility to monitor the acquisition of additional property or rights that constitute collateral or the perfection of, or to take steps or actions to perfect or ensure the perfection of, any security interest in the Additional Notes against third parties. See “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*” for further information.

The security interests in the Collateral have been or will be, as applicable, granted to the Security Agent (on behalf of the holders of the Additional Notes) rather than directly to the holders of the Additional Notes. The ability of the Security Agent to enforce certain of the Collateral may be restricted by local law

The security interests in the Collateral that secure, or will secure, the obligations of the Issuer under the Additional Notes and the obligations of the Guarantors under the Notes Guarantees have not been and will not be granted directly to the holders of the relevant Additional Notes but have been or will be granted only in favor of the Security Agent, which will hold the Collateral on behalf of the lenders under the Super Senior Facilities and our hedging obligations, the holders of the Additional Notes and the holders of any additional debt secured by Collateral permitted to be incurred under the Temporary Indenture and the Indenture. The Indenture provides (along with the Intercreditor Agreement) that only the Security Agent has the right to enforce the Security Documents. As a consequence, holders of the Additional Notes will not have direct security interests and will not be entitled to take enforcement action in respect of the Collateral securing the Additional Notes, except through

the Trustee, who will (subject to the provisions of the Indenture) provide instructions to the Security Agent in respect of the Collateral. See *“Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests”* for further information.

It is generally possible under Swedish law to grant security interests in favor of an agent acting on behalf of secured parties. However, to enable the Security Agent to enforce the security interests in the Collateral on behalf of the holders of the Additional Notes in a Swedish court, the Security Agent may need a specific power of attorney from each holder of the Additional Notes. It has not been established by judicial precedent or otherwise by law that a power of attorney or mandate of agency, including the appointment of an agent can be made irrevocable. Therefore, any powers of attorney or mandates of agency can be revoked and will terminate by operation of law and without notice at the bankruptcy or temporal demise of the party giving such powers. In addition, the failure of all holders of the Additional Notes to submit such a power of attorney could negatively affect the enforcement of the security interests in the Collateral.

The Issuer and the Guarantors will have control over the Collateral securing the Additional Notes, and the sale of particular assets could reduce the pool of assets securing the Additional Notes

The Security Documents will allow the Issuer and the Guarantors to remain in possession of, retain exclusive control over, freely operate and collect, invest and dispose of any income from the Collateral securing the Additional Notes. So long as no default or event of default under the Indenture would result therefrom, the Issuer and the Guarantors may, among other things, without any release or consent by the Security Agent, conduct ordinary course activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making ordinary course cash payments, including repayments of indebtedness.

There are circumstances other than the repayment or discharge of Additional Notes under which the Collateral securing the Additional Notes and the Notes Guarantees will be released automatically and under which the Notes Guarantees will be released automatically, without your consent or the consent of the Trustee

Under various circumstances, the Notes Guarantees and the Collateral securing the Additional Notes will be released automatically. See *“Description of the Notes—Notes Guarantees”* and *“Description of the Notes—Security—Release of Liens.”* In addition, if the Security Agent sells Collateral comprising the shares of any of our subsidiaries as a result of an enforcement action in accordance with the Intercreditor Agreement, then claims under the Additional Notes and the Notes Guarantees may be released or transferred. See *“Description of Certain Financing Arrangements—Intercreditor Agreement”* and *“Description of the Notes—Security—Release of Liens.”* Your ability to recover on the Additional Notes could be materially impaired in such circumstances.

The Intercreditor Agreement also provides that the Collateral securing the Additional Notes may be released and retaken in connection with the refinancing of certain indebtedness, including the Additional Notes. Such a release and retaking of Collateral may give rise to the start of a new “hardening period” in respect of such Collateral. Under certain circumstances, other creditors, insolvency administrators or representatives or courts could challenge the validity and enforceability of the grant of such Collateral. Any such challenge, if successful, could potentially limit your recovery in respect of such Collateral and thus reduce your recovery under the Additional Notes. See also *“—The granting of the security interests in connection with the issuance of the Notes, or the incurrence of permitted debt or other obligations in the future, may create or restart hardening periods.”*

The Issuer does not have revenue generating operations of its own and will depend on cash flows from operating companies to make payments on the Notes

The Issuer does not have any revenue-generating activities of its own and does not have any business operations, material assets (other than its shareholding in Assemblin Holding AB). Repayment of the Issuer’s indebtedness, including under the Notes, is dependent on the profitability and cash flow of its subsidiaries and their ability to make such cash available to the Issuer, by dividend distributions, or otherwise. The subsidiaries of the Issuer may not be able to, or may be restricted by the terms of their existing or future indebtedness, or by law, in their ability to make distributions or advance upstream loans to enable us to make payments in respect of our indebtedness, including the Notes. Each of the subsidiaries of the Issuer is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from the subsidiaries of the Issuer. Furthermore, goodwill impairment and other non-cash charges in our profit or loss account, as well as charges recognized directly in equity, if incurred, could reduce the Issuer’s subsidiaries’ reserves available for distribution and thus reduce or prevent upstream dividend payments to the Issuer.

While the Temporary Indenture, the Indenture and the Super Senior Facilities, respectively, limit the ability of the Group's subsidiaries to incur contractual restrictions on their ability to pay dividends or make other intercompany payments to us, such limitations are subject to certain significant qualifications and exceptions. In the event that we do not receive distributions or other payments from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the Notes. We do not expect to have any other sources of funds that would allow us to make payments to holders of the Notes.

The Temporary Notes will be structurally subordinated to the liabilities of all of our subsidiaries, and the Additional Notes will be structurally subordinated to the liabilities of non-Guarantor members of our Group

The Temporary Notes will not benefit from any guarantees, which means that holders of the Temporary Notes will have no direct claims against the assets or the earnings of the Group (other than the Issuer) to satisfy obligations due under the Temporary Notes. Upon the Temporary Notes Exchange, some, but not all, of the members of the Group will guarantee the Additional Notes. As of and for the twelve months ended September 30, 2020, the Guarantors represented 90% of our net revenues, 88% of our EBITDA and over 100% of our assets (other than goodwill and shares in subsidiaries), in each case, calculated on a stand-alone basis without giving effect to intergroup eliminations. On an as adjusted basis after giving effect to the Transactions as of September 30, 2020, the subsidiaries of the Issuer that will not guarantee the Additional Notes would have had less than SEK 10 million outstanding financial indebtedness.

Unless a member of our Group is a Guarantor, such member will not have any obligations to pay amounts due under the Notes or to make funds available for that purpose. The Indenture, subject to some limitations, permits our non-Guarantor restricted subsidiaries to incur substantial amounts of additional indebtedness and does not restrict the amount of other liabilities that may be incurred by these subsidiaries. Generally, holders of indebtedness of, and trade creditors of, non-guarantor companies, including lenders under bank financing agreements, are entitled to payments of their claims from the assets of such non-Guarantor companies before these assets are made available for distribution to the Issuer or any Guarantor, as a direct or indirect shareholder.

Accordingly, in the event that any non-Guarantor company becomes insolvent, is liquidated, reorganized or dissolved or is otherwise wound up other than as part of a solvent transaction:

- the creditors of the Issuer (including the holders of the Notes) and the Guarantors will have no right to proceed against the assets of such company; and
- the creditors of such non-guarantor company, including trade creditors, will generally be entitled to payment in full from the sale or other disposal of the assets of such company before any Guarantor, as a direct or indirect shareholder, will be entitled to receive any distributions from such subsidiary.

As such, the Temporary Notes, the Additional Notes and each Notes Guarantee will be structurally subordinated to the creditors (including trade creditors) and any preferred stockholders of our non-Guarantor subsidiaries.

The Notes Guarantees and the Collateral securing the Additional Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability

The Additional Notes will be guaranteed by certain of our subsidiaries which are incorporated under the laws of Sweden and Norway and will be secured by security interests over the Collateral, which will be governed by the laws of these jurisdictions and Finland. The Indenture provides that the Notes Guarantees, and the Indenture and the relevant Security Documents provide or will provide that the security interests, will be limited to the maximum amount that can be guaranteed, or otherwise, or in respect of which security interests may be granted, by the relevant Guarantor or grantor, as applicable, without rendering the relevant Notes Guarantee or security interest, as it relates to that Guarantor or grantor, voidable or otherwise ineffective or limited under applicable law. See "*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests.*"

In addition, enforcement of any of the Notes Guarantees against any Guarantor or security interests against any security provider will be subject to certain defenses available to Guarantors or security providers, as applicable, in the relevant jurisdiction. Although laws differ among these jurisdictions, these laws and defenses generally include those that relate to corporate purpose or benefit, fraudulent conveyance or transfer, voidable preference,

insolvency or bankruptcy challenges, financial assistance, preservation of share capital, thin capitalization, capital maintenance, set-off, counter-claim and prescription (time bar) or similar laws, regulations or defenses affecting the rights of creditors generally. If one or more of these laws and defenses are applicable, a Guarantor or grantor of security interests may have no liability or decreased liability under its Notes Guarantee or security interest, as applicable, depending on the amount of its other obligations and applicable law.

Although laws differ among various jurisdictions, in general, under bankruptcy or insolvency law and other laws, a court could (i) subordinate or void any Notes Guarantee or any security interest (ii) direct that the holders of the Additional Notes return any amounts paid under a Notes Guarantee or security interest to the relevant Guarantor or security provider, or to a fund for the benefit of the Guarantor's creditors or (iii) take other action that is detrimental to you, typically if the court found that:

- the Notes Guarantee or security interest was granted with actual intent to hinder, delay or defraud creditors or shareholders of the Guarantor or the security provider or, in certain jurisdictions, even when the recipient was merely aware that the Guarantor or the security provider was insolvent when it granted the relevant Notes Guarantee or security;
- the Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the granting of the Notes Guarantee and/or security interest and the Guarantor or security provider: (i) was insolvent or was rendered insolvent as a result of having granted the relevant Notes Guarantee or security interest; (ii) was under-capitalized or became under-capitalized because of the relevant Notes Guarantee or security interest; or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity;
- the granting of the relevant Notes Guarantee and/or security interest was held to constitute prohibited financial assistance;
- the granting of the relevant Notes Guarantee and/or security interest was held not to be in the best interests or not to be for the corporate benefit of the Guarantor or security provider or was held to exceed the corporate objects of the Guarantor or security provider; or
- the aggregate amounts paid or payable under the relevant Notes Guarantee or enforcement proceeds under the relevant security were in excess of the maximum amount permitted under applicable law.

These or similar laws may also apply to any future guarantee granted by any of our subsidiaries pursuant to the Indenture.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon applicable governing law. Generally, an entity would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the fair value of all its assets;
- the present fair value of its assets was less than the amount required to pay its existing debts and liabilities, including contingent liabilities, as they became due; or
- it could not pay its debts as they became due.

We cannot assure you which standard a court would apply in determining whether a Guarantor was "insolvent" at the relevant time or that, regardless of the method of the valuation, a court would not determine that a Guarantor was insolvent on that date, or that a court would not determine, regardless of whether or not a Guarantor was insolvent on the date its Notes Guarantee was issued, that payments to holders of the Additional Notes constituted preferences, fraudulent transfers or conveyances on other grounds.

The liability of each Guarantor under its Notes Guarantee, or security provider under the relevant Security Document, will be limited to the amount that will result in such Notes Guarantee or security interest not constituting a fraudulent preference or conveyance or improper corporate distribution or otherwise being set aside. However, there can be no assurances as to what standard a court will apply in making a determination of the maximum liability of each Guarantor or security provider. There is a possibility that the entire Notes Guarantee or security interest may be set aside, in which case the entire liability may be extinguished.

If a court were to find that the issuance of the Additional Notes or a Notes Guarantee, or the granting of the security, was a fraudulent preference or conveyance or unenforceable for any other reason, the court could hold that the payment obligations under the Additional Notes or such Notes Guarantee or Security Document are ineffective, could void the security over the Collateral, or could require the holders of the relevant Additional

Notes to repay any amounts received with respect to the Additional Notes or such Notes Guarantee or any enforcement proceeds received from enforcement of the security. In the event of a finding that a fraudulent preference or conveyance occurred, you may cease to have any claim in respect of the relevant Guarantor or security provider and would be a creditor solely of the Issuer, any other Guarantor or security provider, if applicable, under any Notes Guarantees or Security Documents that have not been declared void.

Additionally, any future pledge or charge of Collateral in favor of the Security Agent, including pursuant to Security Documents delivered after the date of the Indenture, might be avoidable by the security provider (as debtor-in-possession) or by its trustee in bankruptcy (or similar officer) if certain events or circumstances exist or occur, including, among others, if the security provider is insolvent at the time of the pledge or charge, the pledge or charge permits the holders of the Additional Notes to receive a greater recovery than if the pledge or charge had not been given and a bankruptcy proceeding in respect of the security provider is commenced within a certain time period following the pledge or charge.

Enforcement of the rights of the holders of the Notes under the Temporary Indenture and the Indenture across multiple jurisdictions may be difficult and the applicable insolvency laws may preclude holders of the Notes from recovering payments due on the Notes

The Temporary Indenture, the Indenture, the Notes and the Notes Guarantees are or will be governed by the laws of the State of New York, the Intercreditor Agreement is governed by the laws of England and Wales, and the Security Documents granting security interests in the Collateral are or will be governed by the laws of a number of different jurisdictions. Moreover, the Issuer and the Guarantors are incorporated under the laws of Sweden and Norway and a third party security provider is located in Luxembourg. Therefore, in the event of bankruptcy, insolvency or a similar event, proceedings could be initiated in these and other applicable jurisdictions. The rights of the holders of the Notes under the Temporary Indenture or the Indenture, as applicable, will thus be subject to the laws of a number of jurisdictions, and it may be difficult to effectively enforce such rights in multiple bankruptcy, insolvency and other similar proceedings. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors and often result in substantial uncertainty and delay in the enforcement of creditors' rights. In addition, the bankruptcy, insolvency, administration and other laws of the jurisdiction of incorporation of the Issuer and the Guarantors may be materially different from, or in conflict with, one another, including creditors' rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realize any recovery under the Notes.

Our hedging agreements may expose us to credit default risks and potential losses if our hedging counterparties fall into bankruptcy

We are party to certain interest rate swaps and we may enter into additional interest hedging agreements to hedge our exposure to fluctuations in interest rates, primarily under the Revolving Credit Facility and the Notes. Under any such agreements, we are exposed to credit risks of our counterparties. If one or more of our counterparties falls into bankruptcy, claims we have under the swap agreements or other hedging arrangements may become worthless. Also, such hedging activities may be ineffective or may not offset more than a portion of the adverse financial impact resulting from interest rate or foreign currency fluctuations. In addition, in the event that we refinance our debt or otherwise terminate hedging agreements, we may be required to make termination payments, which would result in a loss.

We may not be able to obtain the funds required to repurchase the Notes upon a Change of Control and the occurrence of certain important corporate events will not constitute a Change of Control

The Temporary Indenture and the Indenture contain provisions relating to certain events constituting a "Change of Control" (as defined in the Temporary Indenture and the Indenture, as applicable). Upon the occurrence of a Change of Control, we will be required to offer to repurchase all outstanding Notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. If a Change of Control were to occur, we cannot assure you that we would have sufficient funds available at such time, or that we would have sufficient funds to provide to the Issuer to pay the purchase price of the outstanding Notes or that the restrictions in the Super Senior Facilities, the Temporary Indenture, the Indenture, the Intercreditor Agreement or our other than existing contractual obligations would allow us to make such required repurchases. A Change of Control may trigger a mandatory prepayment of the Super Senior Facilities and other indebtedness. The repurchase of the Notes pursuant to such an offer could cause a default under such

indebtedness, even if the Change of Control itself does not. The ability of the Issuer to receive cash from its subsidiaries to allow it to pay cash to the holders of the Notes following the occurrence of a Change of Control, may be limited by our then existing financial resources. Sufficient funds may not be available when necessary to make any required repurchases. If an event constituting a Change of Control were to occur at a time when our Group is prohibited from providing funds to the Issuer for the purpose of repurchasing the Notes, we may seek the consent of the lenders under such indebtedness to the purchase of the Notes or may attempt to refinance the borrowings that contain such prohibition. If such a consent to repay such borrowings is not obtained, the Issuer would remain prohibited from repurchasing any Notes. In addition, we expect that we would require third-party financing to make an offer to repurchase the Notes upon a Change of Control. We cannot assure you that our Group would be able to obtain such financing. Any failure by the Issuer to offer to purchase the Notes would constitute a default under the Temporary Indenture or the Indenture, which would, in turn, constitute a default under the Revolving Credit Facility. See “*Description of the Notes—Change of Control.*”

The Change of Control provision contained in the Temporary Indenture and the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving us that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a Change of Control as defined in the Temporary Indenture and the Indenture. Except as described under “*Description of the Notes—Change of Control,*” the Temporary Indenture and the Indenture will not contain provisions that would require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of Change of Control in the Temporary Indenture and the Indenture will include a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries (if any), taken as a whole, to any person. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the Issuer’s assets and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether the Issuer is required to make an offer to repurchase the relevant Notes.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies

Owners of the book-entry interests will not be considered owners or holders of relevant Notes unless and until definitive notes are issued in exchange for book-entry interests. Instead, the common depository (or its nominee) for Euroclear and Clearstream will be the sole registered holder of the Notes in global form.

Payments of principal, interest and other amounts owing on or in respect of the Notes in global form will be made to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, such payments will be credited to Euroclear and Clearstream participants’ accounts that hold book-entry interests in the Notes in global form and credited by such participants to indirect participants. After payment to Euroclear and Clearstream, none of the Issuer, the Guarantors, the Trustee, Transfer Agent, Paying Agent, the Calculation Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments of interest, principal or other amounts to Euroclear and Clearstream, or to owners of book-entry interests. Accordingly, if you own a book-entry interest in the Notes, you must rely on the procedures of Euroclear and Clearstream and, if you are not a participant in Euroclear and/or Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of the Notes under the Temporary Indenture and the Indenture.

Owners of book-entry interests will not have the direct right to act upon our solicitations for consents or requests for waivers or other actions from holders of the Notes, including the enforcement of security for the Notes and the Notes Guarantees. Instead, if you own a book-entry interest, you will be reliant on the common depository (or its nominee) (as registered holder of the Notes) to act on your instructions and/or will be permitted to act directly only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream or, if applicable, from a participant. We cannot assure you that procedures implemented for the granting of such proxies will be sufficient to enable you to vote on any requested actions or to take any other action on a timely basis.

Similarly, upon the occurrence of an event of default under the Temporary Indenture and the Indenture, unless and until the relevant Definitive Registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be restricted to acting through Euroclear and Clearstream. We cannot assure you

that the procedures to be implemented through Euroclear and Clearstream will be adequate to ensure the timely exercise of rights under the Notes. See “*Book-Entry, Delivery and Form.*”

There may not be an active trading market for the Temporary Notes or the Additional Notes, in which case your ability to sell the Temporary Notes or the Additional Notes may be limited

We cannot assure you as to:

- the liquidity of any market in the Notes;
- your ability to sell your Notes; or
- the price at which you would be able to sell your Notes.

Future trading prices for the Notes will depend on many factors, including, among other things, prevailing interest rates, our operating results and the market for similar securities. Historically, the market for non-investment-grade securities has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The liquidity of a trading market for the Notes may be adversely affected by a general decline in the market for similar securities and is subject to disruptions that may cause volatility in prices. The trading market for the Notes may attract different investors and this may affect the extent to which the Notes may trade. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on you, as a holder of the Notes, regardless of our prospects and financial performance. As a result, there can be no assurance that there will be an active trading market for the Notes. If no active trading market develops, you may not be able to resell your holding of the Notes at a fair value, if at all.

Although the Original Notes are listed on the Official List of the Exchange and an application will be made to the Authority for the listing of and permission to deal in the Temporary Notes and the Additional Notes on the Official List of the Exchange, we cannot assure you that the Notes will become or remain listed, as applicable. Although no assurance can be made as to the liquidity of the Notes as a result of the admission to the Official List of the Exchange, failure to be approved for listing or the delisting (whether or not for an alternative admission to listing on another stock exchange) of the Notes from the Official List of the Exchange may have a material effect on a holder’s ability to resell the Notes in the secondary market.

In addition, the Indenture allows us to issue additional Notes in the future, which could adversely impact the liquidity of the relevant Notes.

United States civil liabilities may not be enforceable against us

The Issuer and the Guarantors are located in Sweden and Norway and all of our assets are located outside the United States. In addition, all of the members of our board and our officers reside outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or such other persons residing outside the United States, or to enforce outside the United States judgments obtained against such persons in United States courts in any action. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions located outside the United States, rights predicated upon United States laws. See “*Service of Process and Enforcement of Civil Liabilities.*”

Sweden and Norway currently do not have a treaty with the United States providing for the reciprocal recognition and enforcement of judgments (as opposed to arbitration awards) in civil and commercial matters. This may give rise to difficulties in respect of the enforcement in Sweden and Norway of judgments obtained in the United States. In particular, a judgment entered against a company incorporated in Sweden in the courts of a state which is not a Member State (as defined in the Recast Brussels Regulation) or a Contracting State (as defined in the Lugano Convention), such as the United States, would not be recognized or enforceable in Sweden as a matter of law without a retrial. In addition, a Swedish court may choose to retry the dispute without regard to the previous judgment. See “*Service of Process and Enforcement of Civil Liabilities.*”

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit ratings address our ability to perform our obligations under the terms of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the

value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the relevant Notes by one or more of the credit rating agencies may adversely affect the cost, terms and conditions of our financings, and could adversely affect the value and trading of the Notes.

Certain covenants may be suspended upon the occurrence of a change in our ratings

The Temporary Indenture and the Indenture provide that, if at any time following the date of the Temporary Indenture and the Indenture, the Notes receive a rating of “Baa3” or better from Moody’s Investors Service, Inc. (“Moody’s”) or “BBB-” or better from Standard & Poor’s Financial Services LLC (“S&P”) or Fitch Ratings Inc. (“Fitch”) and no default or event of default has occurred and is continuing, then beginning that day and continuing until such time that the Notes receive a rating of below “Baa3” from Moody’s or “BBB-” from S&P or Fitch, certain covenants will cease to be applicable to the Notes. See *“Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status.”* If these covenants were to cease to be applicable, we would be able to incur additional indebtedness or make payments, including dividends or investments, which may conflict with the interests of holders of the Notes. There can be no assurance that the Notes will ever achieve an investment grade rating or that any such rating will be maintained.

The transferability of the Notes may be limited under applicable securities laws, which may affect their liquidity and the price at which they may be sold

The Notes and the Notes Guarantees have not been, and will not be, registered under the Securities Act or the securities laws of any state or any other jurisdiction and, unless so registered, may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the applicable securities laws of any state or any other jurisdiction. The Notes are not being offered for sale in the United States except to QIBs in accordance with Rule 144A. In addition, by acceptance of delivery of any Notes, the holder thereof agrees on its own behalf and on behalf of any investor accounts for which it has purchased the Notes that it shall not transfer the Notes in an aggregate principal amount of less than €100,000. We have not agreed to or otherwise undertaken to register the Notes with the U.S. Securities and Exchange Commission (including by way of an exchange offer). See *“Transfer Restrictions.”* It is the obligation of holders of the Notes to ensure that their offers and sales of the Notes within the United States and other countries comply with applicable securities laws.

Investors may face foreign exchange risks by investing in the Notes

The Original Notes are, and the Temporary Notes and the Additional Notes will be, denominated and payable in euro. If investors measure their investment returns by reference to a currency other than euro, an investment in the Notes will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which such investors measure the return on their investments. These changes may be due to economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which such investors measure the return on their investments could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to investors when the return on the Notes is translated into the currency by reference to which such investors measure the return on their investments.

Risks Related to Our Ownership

The interests of our principal shareholders may conflict with your interests as a holder of the Notes

The interests of our controlling shareholders may conflict with yours as a holder of the Notes, particularly if we encounter financial difficulties or are unable to pay our debts when due. The controlling shareholders have (directly or indirectly) the power to, among other things, affect our legal and capital structure and our day-to-day operations and may have an incentive to increase the value of their investments or cause us to distribute funds at the expense of our financial condition, which could impact our ability to make payments on the Notes. In addition, the controlling shareholders have the power to elect a majority of our board of directors and appoint new officers and management and, therefore, effectively control many other major decisions regarding our operations. We cannot assure you that the interests of the controlling shareholders will not conflict with your interests as a holder of the Notes. See *“Principal Shareholder”* and *“Certain Relationships and Related Party Transactions.”*

USE OF PROCEEDS

Sources and Uses

Pending the consummation of the Fidelix Acquisition, the Initial Purchasers will, concurrently with the issuance of the Temporary Notes on the Issue Date, deposit with the Escrow Agent an amount equal to the gross proceeds of the Offering sold on the Issue Date into the Escrow Account.

On or about the Completion Date, we expect to use the gross proceeds of the Offering, together with the proceeds from the Sponsor Investment, to (a) finance the cash consideration payable to the Sellers in connection with the Fidelix Acquisition (including the purchase price, certain other purchase price adjustments under the Fidelix Acquisition Agreement and the repayment of certain debt of the Target), (b) pay transaction costs associated with the Transactions and (c) fund cash on balance sheet, including potential acquisitions.

The following table shows the estimated sources and uses of funds related to the Transactions. Actual amounts may vary from estimated amounts depending on several factors, including, but not limited to, differences in fees and expenses, the timing of the closing of the Fidelix Acquisition, certain purchase price adjustments and currency exchange rates.

The euro and SEK equivalent amounts are based on a Bloomberg exchange rate of €1.00 to SEK 10.4933 as of September 30, 2020.

Sources of Funds	(€ million)	(SEK million)	Use of Funds	(€ million)	(SEK million)
Notes offered hereby ⁽¹⁾	100	1,049	Cash consideration for Fidelix Acquisition ⁽³⁾	92	965
Sponsor Investment ⁽²⁾	20	210	Estimated transaction fees and expenses ⁽⁴⁾	5.5	58
			Cash to balance sheet	22.5	236
Total sources	<u>120</u>	<u>1,259</u>	Total uses	<u>120</u>	<u>1,259</u>

Notes:

- (1) Reflects the gross proceeds from the issuance of the Temporary Notes offered hereby, assuming an issuance at par.
- (2) Represents the estimated amount of the indirect cash investments to be made by the Sponsor, which will be contributed through intermediate holding companies to the Group on or about the Completion Date in the form of an equity contribution.
- (3) Represents the estimated cash consideration payable for the acquisition of the Target in the Fidelix Acquisition (including the repayment of certain outstanding debt of the Target and certain other estimated purchase price adjustments under the Fidelix Acquisition Agreement). The actual amount paid as consideration in the Fidelix Acquisition is subject to adjustment in accordance with the terms of the Fidelix Acquisition Agreement and may differ.
- (4) Represents our estimate of fees and expenses related to the Transactions, including commitment, placement and other financing, investment banking fees, due diligence fees and other transaction costs and professional fees.

CAPITALIZATION

The following table sets forth total cash and cash equivalents and capitalization of the Issuer as of September 30, 2020 (i) on an actual basis derived from the Unaudited Condensed Interim Financial Statements included elsewhere in this offering memorandum and (ii) as adjusted to give effect to the Transactions (excluding the Fidelix Acquisition, but including the Offering and the use of proceeds thereof), as if they had occurred on September 30, 2020. This table should be read in conjunction with “*Presentation of Financial Information*,” “*Use of Proceeds*,” “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*,” “*Description of Certain Financing Arrangements*” and the Unaudited Condensed Interim Financial Statements and their accompanying notes appearing elsewhere in this offering memorandum. The information below is illustrative only and does not purport to be indicative of the Issuer’s capitalization following completion of the Transactions.

	As of September 30, 2020		
	Actual	Transactions Adjustments	As Adjusted
		(SEK millions)	
Cash and cash equivalents⁽¹⁾	507	(74)	433
Financial liabilities			
Super Senior Facilities ⁽²⁾	—	190	—
Temporary Notes offered hereby ⁽³⁾	—	1,049	1,049
Original Notes ⁽⁴⁾	2,640	—	2,640
Lease liabilities ⁽⁵⁾	753	—	753
Other debt ⁽⁶⁾	16	—	16
Total financial liabilities⁽⁵⁾	3,409	1,049	4,458
Total equity⁽⁷⁾	(742)	210	(532)
Total capitalization	2,667	1,259	3,926

Notes:

- (1) As adjusted cash and cash equivalents includes the effect of our estimated total cash consideration payable for the Fidelix Acquisition (including the repayment of certain existing Target debt and certain other estimated purchase price adjustments under the Fidelix Acquisition Agreement). The actual amount paid as consideration in the Fidelix Acquisition is subject to adjustment in accordance with the terms of the Fidelix Acquisition Agreement and may differ.
As adjusted cash and cash equivalents also gives effect to the cash payment of SEK 310 million in connection with certain acquisitions that have closed between October 1, 2020 and January 15, 2021 which are given pro forma effect as an Acquisition adjustment to Pro Forma Adjusted EBITDA (see footnote (g) under “*Summary—Operating Data and Non-IFRS Financial Information*”).
As adjusted cash and cash equivalents does not give effect to (i) the additional variable cash consideration of up to approximately SEK 160 million payable over the next three years in respect of acquisitions that have closed through January 15, 2021, and which are given pro forma effect as an Acquisition adjustment to Pro Forma Adjusted EBITDA (see footnote (g) under “*Summary—Operating Data and Non-IFRS Financial Information*”), and (ii) the expected cash generation post September 30, 2020.
- (2) We currently expect no amounts to be drawn in cash on the Issue Date under the Super Senior Facilities; however, certain letters of credit and/or guarantees will be outstanding and as part of the Transactions, the revolving commitments under the Revolving Credit and Guarantee Facilities Agreement will be upsized by SEK 190 million.
- (3) Represents the total aggregate principal amount of the Temporary Notes. The SEK equivalent amount is based on the Bloomberg exchange rate of €1.00 to SEK 10.4933 as of September 30, 2020.
- (4) Represents the total aggregate principal amount of the Original Notes. See Note 23 to the Audited Combined Financial Statements.
- (5) Lease liabilities and total financial liabilities as of September 30, 2020 reflect the impact of adoption of IFRS 16. See “*Summary—Operating Data and Non-IFRS Financial Information*” for presentation of certain financial information on a basis that excludes the impact of adoption of IFRS 16.
- (6) Other debt includes other long-term debt and mark-to-market changes in the value of derivative instruments used to hedge the Original Notes.
- (7) The total equity of the Issuer on a standalone basis is SEK 4,019 million. The reason for the difference from the consolidated total equity is due to a previous corporate reorganization that was accounted for as a combination involving entities under common control that resulted in a negative adjustment to total equity due to the purchase price for the shares of the predecessor entity (given that the predecessor value method of accounting for such transactions does not allow for the recording of goodwill asset resulting from such transaction).

SELECTED COMBINED FINANCIAL INFORMATION

The following selected combined financial information of Group as of and for the years ended December 31, 2019, 2018, and 2017 have been derived from the Audited Combined Financial Statements included elsewhere in this offering memorandum.

The following selected condensed financial information of the Group as of and for the nine months ended September 30, 2020 and 2019, have been derived from the Unaudited Condensed Interim Financial Statements included elsewhere in this offering memorandum.

The Financial Statements have been prepared as combined financial statements. The combined financial information has been prepared as combined financial statements in a way of illustrating financial information for a group of entities that are not a legal group but are ultimately owned by the same party. The combined financial information represents the group of entities that became the legal Assemblin Financing Group at the end of 2019.

From January 1, 2019, we apply IFRS 16 Leases which has an impact on our reported statements of profit or loss, financial position and presentation of cash flow. In implementing IFRS 16, we selected the modified retrospective approach as the transition method. As a result, the Unaudited Condensed Interim Financial Statements and the 2019 financial information contained in the Audited Combined Financial Statements are prepared after implementing IFRS 16, and the 2018 and 2017 financial information contained in the Audited Combined Financial Statements is prepared prior to the implementation of IFRS 16. The comparison figures for 2018 and earlier periods have not been restated, and are thus not directly comparable where there are differences caused by the implementation of IFRS 16. See Note 1 to the Audited Combined Financial Statements.

The unaudited condensed statement of comprehensive income information and the other financial information presented for the twelve months ended September 30, 2020 have been derived by subtracting from the financial information of the audited combined financial statements as of December 31, 2019 the comparative financial information of the unaudited condensed interim financial statements for the nine months ended September 30, 2019, and adding the financial information of the unaudited condensed interim financial statements for the nine months ended September 30, 2020.

The unaudited condensed statement of comprehensive income information and the other financial information presented for the twelve months ended September 30, 2020 have been prepared for illustrative purposes only and are not necessarily representative of our results of operations for any future period or our financial condition at any future date. In particular, the unaudited financial information for the twelve-month period ended September 30, 2020 is not necessarily indicative of the results that may be expected for the year ended December 31, 2020 and should not be used as the basis for or prediction of an annualized calculation. This data has been prepared solely for the purpose of this offering memorandum, is not prepared in the ordinary course of our financial reporting.

The Group's combined financial information and other data should be read in conjunction with the information contained in *"Use of Proceeds," "Capitalization," "Selected Consolidated and Combined Financial Information," "Management's Discussion and Analysis of Financial Condition and Results of Operations"* and the Financial Statements included elsewhere in this offering memorandum.

Selected combined statement of profit or loss and other comprehensive income data

	Year ended December 31			Nine months ended September 30		Twelve months ended September 30
	2017	2018	2019	2019	2020	2020
	<i>(SEK millions)</i>					
Net revenue	8,169	8,885	9,978	7,122	7,277	10,133
Cost for production	(6,666)	(7,186)	(8,131)	(5,828)	(6,018)	(8,321)
Gross profit	1,503	1,699	1,848	1,295	1,259	1,812
Sales and administrative expenses	(1,388)	(1,285)	(1,595)	(1,026)	(965)	(1,534)
Share of profit of equity-accounted investees	—	1	—	—0	—0	0—
Operating profit	115	414	252	268	294	278
Financial income	4	7	59	30	20	49
Financial expenses	(146)	(201)	(179)	(89)	(167)	(257)
Net financial items	(142)	(193)	(120)	(59)	(146)	(207)
Profit/(loss) before tax	(27)	220	133	209	147	71
Tax	50	(77)	(40)	(47)	(35)	(28)
Profit for the year/period	22	143	92	162	112	42

Selected combined statement of financial position data

	As of December 31			As of September 30
	2017	2018	2019	2020
	(SEK millions)			
Assets				
Goodwill	2,340	2,411	2,640	2,773
Other intangible fixed assets	5	9	22	17
Right-of-use assets	—	—	693	675
Property, plant and equipment	307	402	95	87
Equity-accounted investees	0	1	—	—
Financial Investments	32	32	34	36
Long-term receivables	2	2	3	2
Deferred tax assets	130	101	134	137
Total non-current assets	2,816	2,958	3,621	3,728
Inventory	50	41	66	63
Contract assets	389	408	441	521
Tax assets	2	12	30	87
Trade receivables	1,214	1,315	1,410	1,252
Prepaid expenses and accrued income	130	170	158	82
Other receivables	100	90	109	128
Cash and cash equivalents	420	411	407	507
Total current assets	2,306	2,447	2,621	2,642
Total assets	5,122	5,405	6,242	6,370
Equity				
Share capital	0	0	1	1
Other capital contributions	366	366	366	366
Merger reserve	—	—	(992)	(992)
Reserves	(6)	5	11	(53)
Accumulated deficit	(260)	(167)	(208)	(64)
Total equity	100	204	(821)	(742)
Liabilities				
Long-term interest-bearing liabilities	2,028	1,911	2,599	2,586
Lease liabilities	—	—	583	567
Provisions for pensions	483	560	703	690
Other provisions	160	138	172	217
Deferred tax liabilities	12	4	13	17
Other non-current liabilities	—	—	5	—
Total non-current liabilities	2,683	2,613	4,075	4,078
Short-term interest-bearing liabilities	112	81	1	1
Lease liabilities	—	—	193	186
Trade payables	665	835	861	828
Tax liabilities	53	60	106	191
Contract liabilities	529	638	712	805
Other current liabilities	82	81	88	75
Accrued expenses and prepaid income	799	845	952	861
Current provision	99	49	76	86
Total current liabilities	2,339	2,588	2,988	3,033
Total liabilities	5,022	5,201	7,063	7,111
Total equity and liabilities	5,122	5,405	6,242	6,370

Selected consolidated statement of cash flow data

	Year ended December 31,			Nine months ended September 30,		Twelve months ended September 30,
	2017	2018	2019	2019	2020	2020
	(SEK millions)					
<i>Operating activities</i>						
Profit/loss before tax	(27)	220	133	209	147	71
Adjustments for items not included in the cash flow	263	228	484	153	220	551
Tax paid	(4)	(48)	(12)	(26)	(17)	(3)
Increase/decrease in inventory	(8)	11	(9)	(7)	2	0
Increase/decrease in operating receivables	269	(90)	(47)	43	205	115
Increase/decrease in operating liabilities	(401)	195	(65)	(271)	(148)	58
Cash flow from operating activities	92	516	485	102	409	792
<i>Investment activities</i>						
Acquisitions of subsidiaries	(11)	(63)	(211)	(103)	(152)	(260)
Disposal of subsidiaries	0	—	0	—	—	—
Acquisitions of intangible fixed assets	(8)	0	(2)	(2)	(6)	(6)
Acquisitions of property, plant and equipment ..	(14)	(41)	(14)	(10)	—	(4)
Disposal of property, plant and equipment	27	15	13	9	—	4
Dividend received	1	2	19	—	—	19
Changes in long term receivables	4	(1)	(1)	18	—	(19)
Cash flow from investment activities	(2)	(88)	(197)	(88)	(158)	(267)
<i>Financing activities</i>						
New share issue	—	—	0	—	—	0
Loans raised	—	1,700	2,591	—	—	2,591
Repayment of loans	(28)	(2,033)	(2,717)	0	(2)	(2,719)
Repayments, leases/finances leases	(63)	(97)	(170)	(125)	(137)	(182)
Dividend paid	—	(12)	—	—	—	—
Cash flow from financing activities	(92)	(442)	(297)	(125)	(139)	(311)
Cash flow for the period	(2)	(14)	(8)	(111)	112	215
Cash and cash equivalents at start of period	424	420	411	411	407	308
Exchange rate difference in cash and cash equivalents	(2)	5	4	8	(11)	(15)
Cash and cash equivalents at end of period ...	420	411	407	308	507	507

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations as of and for the nine months ended September 30, 2020 and 2019 and the years ended December 31, 2019, 2018 and 2017 should be read in conjunction with the Financial Statements, the notes thereto, "Presentation of Financial and Other Information" and the other information included elsewhere in this offering memorandum.

This section contains forward-looking statements that involve risks and uncertainties. Our results may differ materially from those discussed in such forward-looking statements as a result of various factors, including those described under "Risk Factors."

Selected consolidated information in this section has been derived from the Financial Statements, in each case without material adjustments, unless otherwise stated, as well as our management financial reports.

Overview

We are one of the Nordic region's leading providers of complete installation and service solutions, with our primary activities focusing on electrical engineering, heating and sanitation, ventilation and automation, as well as key competencies in data and telecom, industrial pipes, district heating, cooling, sprinklers, security and electrical workshop and field services. We hold a strong position in the growing installation market in the Nordic region (comprising Sweden, Norway and Finland), which are estimated at approximately SEK 98 billion, SEK 75 billion and SEK 59 billion, respectively, and have a combined approximate value of SEK 231 billion as of December 31, 2019, and in 2019, we had the second largest share of Sweden's installation market by revenue according to Prognoscentret. Moreover, in December 2020, we entered into a sale and purchase agreement to acquire Fidelix, a technology-driven building automation service company, which is expected to provide us with a market-leading position within the building automation market in the Nordics.

We provide installation and service assignments in various types of properties, industrial facilities and infrastructure projects for a diverse customer base consisting over 20,000 large and small customers, which include construction companies, the public sector, property owners and industrial companies. Our strong relationships with our customers have contributed to an order backlog of SEK 8,245 million and an LTM order intake of SEK 9,859 million, respectively, as of September 30, 2020, and we currently have over 3,000 ongoing projects. We take on primarily two types of assignments: contractor assignments and service assignments. The proportion of contractor assignments and service assignments represented 60% and 40%, respectively, of our net revenue for the twelve months ended September 30, 2020.

Our operations are decentralized and governed based on a shared framework, clear allocation of roles and responsibilities and systematic monitoring. Our current operating organization is divided into five specific business areas: three in Sweden (Assemblin EI, Assemblin VS and Assemblin Ventilation), one in Norway (Assemblin Norway) and one in Finland (Assemblin Finland), comprising over 166 branches across over 100 locations with over 5,800 employees in the Nordic region. We believe that our decentralized business model contributes to the profitability of our operations. This decentralized and entrepreneurial business model allows us to swiftly adjust to a largely variable cost structure and promotes enterprise and accountability at all levels of our structure with the president of each business area being responsible, together with their management groups, for the operations and earnings in their respective business areas. We have been owned by Triton Partners since 2015, and since then have expanded our geographical presence and volumes through the acquisition of 38 additional companies to date (excluding Fidelix), the largest of which being a carve-out from construction company Skanska, Skanska Installation, acquired in 2016. Our organic and inorganic growth has made us into a complete installation and service partner, with the strength of a multidisciplinary group and the personal presence of a local company.

In the twelve months ended September 30, 2020, we had total net revenue of SEK 10,133 million, a net profit for the period of SEK 42 million, EBITA of SEK 304 million, Adjusted EBITA of SEK 569 million and Pro Forma Adjusted EBITDA of SEK 851 million. This was supported by our strong order backlog, which stood at SEK 8,245 million as of September 30, 2020.

Our Segments

Our operating segments are based primarily on the main operational orientation the segments have. Our operating segments comprise:

- *Electrical*: offers comprehensive solutions for planning, installation, service and maintenance in electricity and automation in Sweden as well as refurbishment of electrical motors and generators.
- *Heating and Sanitation*: plans, installs and maintains technical systems for heating and sanitation, sprinklers, industrial piping and district heating in all types of buildings in Sweden.
- *Ventilation*: specialists in construction, installation, service and maintenance of ventilation facilities and cooling solutions in Sweden as well as two specialized workshops producing rectangular ventilation ducts.
- *Norway*: focused on the greater Oslo area and Svalbard, offers installation and service solutions within heating and sanitation, electricity and ventilation.
- *Finland*: operations offer services in electricity, ventilation, heating and sanitation, as well as in automation and energy efficiency.

This division into segments is the primary division that our management observes as regards earnings, capital requirements and cash flows.

Key Factors Affecting Our Results of Operations

General Economic Conditions and Activity in the Installation Market

Macroeconomic factors in the geographic markets in which we operate affect customer demand and, in turn, our results of operations. These factors include GDP fluctuations in Sweden, Norway and Finland, the three main countries in which we operate. During periods of strong GDP growth, our activity is fueled by industrial investments, public sector infrastructure projects and commercial construction. During recessionary periods, our installation business typically experiences a decline in net revenue which correlates to reduced levels of capital investments by our customers. This includes reduced spending by national and local authorities, as well as industrial and utility companies, although public sector expenditure tends to decrease less relative to private sector spending. However, during recessionary periods, when customers significantly reduce their capital expenditures, demand in our service business, which is mainly driven by renovation and maintenance expenditures, has been generally resilient to macroeconomic changes and tends to be countercyclical, providing a more stable source of income. When macroeconomic conditions improve, we generally experience increases in revenues in both our installation business and our service business, as well as increased order flow.

During the periods presented and prior to the outbreak of COVID-19, macroeconomic conditions remained generally stable, with high activity levels in the installation market. Housing construction slowed down in the metropolitan regions, which was however offset by increased public investments in primarily major infrastructure projects, hospitals and schools.

While the COVID-19 outbreak has had, and continues to have, a material impact on business around the world and the economic environments in which they operate, our results of operations and cash flows have proven resilient to date. Although demand in our installation and services business has been adversely affected, the impact to date has been relatively low. Our net revenue for the nine months ended September 30, 2020 increased to SEK 7,277 million, compared to SEK 7,122 million, with organic performance remaining stable. In addition, although order intakes decreased to SEK 7,252 million in the nine months ended September 30, 2020 from SEK 8,652 million in the corresponding period in 2019, this decrease was driven primarily by two large orders in the nine months ended September 30, 2019 (representing a combined order intake of SEK 1,387 million), which provided a significant increase to our order intake, as opposed to any significant dampening of demand or cancellations due to COVID-19. Moreover, while we have experienced some disruptions to our installation projects (due to COVID-19 outbreaks at a limited number of construction sites) and services assignments (due to stringent lock-down measures in the second quarter of 2020), to date these have not been significant and we do not believe they are indicative of a macroeconomic shift in demand for our projects and services. Nevertheless, while our net revenue and order intake for the first three quarters of 2020 are promising, we expect the ultimate significance of the impact of reduced economic activity and disruptions, including the extent of their adverse impact on financial and operational results, will be primarily determined by the length of time that such reductions and disruptions continue, which will, in turn, depend on the duration of the COVID-19 pandemic, the impact of measures that might be imposed in response to the pandemic and whether a vaccine or drug can be

developed and deployed that allows business operations to return to their pre-pandemic form. Additionally, although to date the installation market has proved to be relatively resilient to the COVID-19 pandemic and we believe the underlying drivers for long-term growth remain, we have experienced increased competition due to more uncertain market conditions. In light of this uncertainty, we believe it is beneficial to be a large, stable player with an ability to identify and react quickly to market changes, which we believe our leading market position, strong financial position and decentralized business model allows us to achieve.

Active Portfolio Management

We generally seek to maintain balanced and sustained revenue flows by prioritizing smaller, shorter-term, high-margin contracts and maintaining a balance between installation and service contracts with a diverse range of customers operating in various end-markets. When one of our end-markets, such as industrial manufacturing, is experiencing lower expenditure, we can benefit from increased spending in another sector, such as hospitals (which are generally not impacted by the business cycle). We also actively reallocate resources in response to demand in those regions. Providing sales visibility and allowing active management is our installation business order book, which we track with two metrics we call order intake and order backlog. Order intake represents the value of projects received during any relevant period, plus changes to existing projects made during that period. Order backlog represents the value of remaining (not yet accrued) production value in all projects not generated at the end of the relevant period.

Our Cost Structure and Operational Improvement Program

We have a flexible cost structure, which helps to preserve margins during economic downturns. Variable and semi-variable costs (including subcontracting costs, temporary and fixed-term employees and installation materials and consumables used) constitute the majority of our operating expenses. We maintain low levels of inventory and our suppliers deliver directly to our work sites, which helps reduce our fixed costs and allows us to adjust our cost structure in response to market demand. For the year ended December 31, 2019, raw materials and consumables amounted to SEK 3,404 million, or 35.0%, subcontractors and purchased services amounted to SEK 1,366 million, or 14.0%, personnel costs amounted to SEK 4,134 million, or 42.5%, consultant fees amounted to SEK 71 million, or 0.7%, IT costs and telephony amounted to SEK 69 million, 0.7%, depreciation and amortization amounted to SEK 217 million, or 2.2% and other operating costs amounted to SEK 422 million, or 4.3% of our total operating expenses of SEK 9,726 million.

In addition, during 2019, in particular in the fourth quarter of 2019, we undertook a number of cost saving initiatives and operational efficiency measures to improve profitability, comprising:

- reductions in overhead costs in Group functions, business area regional level as well as in branches;
- closure of unprofitable branches, including eight branches and several sub-branches; and
- turnaround plans being implemented for selected unprofitable branches across all segments.

In connection with the implementation of the cost savings initiatives described above, we incurred restructuring costs in the aggregate amount of SEK 148 million in the fourth quarter of 2019 (representing an increase from the initial estimated SEK 121 million due to an increase in the originally anticipated number of branch closures and related costs).

Seasonality

Our revenues and costs are subject to seasonal variation, limiting the overall comparability of interim financial periods. We account for revenue in accordance with the degree of completion of the project. Therefore, when a public holiday falls in a given interim period, there are fewer working days and as a result we recognize less revenue from our ongoing projects.

Our working capital needs are seasonal, although they are generally negative due to our customer contracts and focus on invoice collection. We invoice our customers regularly, in the case of ongoing and completed installation and service projects. Cash flow tends to be generally the strongest in the fourth quarter, with public and private sector customers seeking to meet their maintenance and operating expenses budgets but also due to many projects being completed in this quarter before the year-end and onset of winter. Cash flow in August and September tends to be relatively weaker because of lower business activity in the month of July and August, which is the main annual holiday period in our markets.

Despite this seasonal trend, we have experienced strong cash flows during the nine months ended September 30, 2020, which have been positively affected by increased focus on invoicing practices during the COVID-19 outbreak, resulting in working capital inflows. Moreover, to date, we have not experienced any significant delays in the payment of invoices by our customers. We may, however, experience an increase in working capital needs if the markets in which we operate are subject to significant recessionary periods due to the COVID-19 pandemic or otherwise. See “*Risk Factors—Risks Related to Our Business and Industry—Amounts included in our estimated order backlog may not result in actual revenue or translate into profits, and our estimated order backlog is subject to delays, customer bankruptcy, accounting errors and unexpected adjustments and is therefore an uncertain indicator of future results of operations.*” Increased demand in our service business, which tends to be countercyclical, typically result in more working capital outflows, as compared to our installation projects.

Foreign Currency Exchange Rates

Our reported results of operations and financial condition are affected by exchange rate fluctuations due to both transaction risk and financial reports from operations abroad. Our business operations are characterized by a relatively low level of transactional currency risk since our purchases and sales are made in the same local currency with minimal exposure to imported components. However, we are exposed to risks relating to translation into Swedish kronor of income statements and balance sheets of foreign subsidiaries with local reporting denominated in euro (in the case of operations in Finland) and Norwegian kroner.

Transactional risk: Transactional risk arises when our subsidiaries execute transactions in a currency other than their functional currency. Transactions in foreign currency are restated in the functional currency at the exchange rate in effect on the transaction date. Functional currency is the currency in which the primary financial environments where the companies conduct their operations. Monetary assets and liabilities in foreign currency are restated in the functional currency at the exchange rate in effect on the balance-sheet date. Exchange rate differences arising in the restatements are recognized in profit or loss for the year. Non-monetary assets and liabilities recognized at historical cost are restated at the exchange rate on the transaction date. Non-monetary assets and liabilities recognized at fair value are restated in the functional currency at the exchange rate in effect on the date of measurement at fair value. We generally benefit from a natural hedge against currency fluctuations in the three countries in which we operate because we incur costs and receive revenues in the applicable local currency. However, we purchase equipment from suppliers who generally operate in euro, and these suppliers may change their Swedish kronor prices to reflect fluctuations in the Swedish kronor to euro exchange rate.

Financial reports from operations abroad: Assets and liabilities in operations abroad, including goodwill and other Group-related surpluses and deficits, are restated from the functional currency of the operations abroad in the Group’s reporting currency at the exchange rate in effect on the balance-sheet date. Revenue and expenses in operations abroad are restated in Swedish kronor at an average rate that constituted an approximation of the exchange rates that were in effect on the respective transaction dates. Translation differences arising in connection with currency restatements are recognized in Other comprehensive income, and are accumulated in a separate component in equity, designated as translation reserves. In the event the operations abroad are not wholly owned, the translation difference is allocated to holdings with a non-controlling interest based on its proportional ownership share. When controlling interest, significant interest or joint controlling interest for operations abroad are dissolved, the accumulated translation differences attributable to the operations are realized, at which point they are reclassified from the translation reserves in equity to profit or loss for the year. In the event a sale occurs but controlling interest remains, a proportional share of accumulated translation differences from the translation reserve is transferred to holdings with a non-controlling interest. In the event of a sale of portions of associates and joint ventures where significant interest or joint controlling interest remains, a proportional share of the translation differences are reclassified to profit or loss for the year.

We did not experience significant gains or losses as a result of fluctuations of Norwegian kroner and the euro against Swedish kronor during the periods under review.

Personnel Costs and Availability of Skilled Personnel

For the years ended December 31, 2017, 2018 and 2019, we had personnel costs of SEK 3,487 million, SEK 3,648 million and SEK 4,134 million, respectively, which accounted for 43.3%, 43.1% and 42.5%, respectively of our total operating expenses (which includes costs of production and selling and administrative expenses) of SEK 8,054 million, SEK 8,472 million and SEK 9,726 million for the years ended December 31, 2017, 2018 and 2019, respectively. As a result, increases in labor costs have a material impact on our result of operations. As

almost all of our labor force is subject to collective bargaining agreements, wages are generally subject to annual increases determined by the labor unions in accordance with the collective bargaining agreements. Between 2017 and 2019, our personnel costs have increased by 18.6%, driven by the increases in wages and provisions for severances (in connection with our accelerated profitability program), as well as a more modest increase in the total number of employees and certain changes to expense category classifications applied starting from 2019.

In addition, our growth can at times be constrained by our ability to find skilled labor force necessary to complete our installation projects or perform service assignments. See *“Risk Factors—Our success is highly dependent on the ability to recruit and retain technical and other key personnel.”* For example, future restrictions on travel, including due to the COVID-19 outbreak, may also adversely affect our ability to successfully find sufficient subcontractors, which could have a material adverse effect on our installation projects, particularly in Norway. Moreover, increased sick leave experienced during the COVID-19 outbreak may adversely affect our service assignments as it is generally more difficult to find suitable replacement personnel (as compared to installation projects, for which subcontracting is typically an available option). Although there have been periodic increases in sick leave (including during the three months ended September 30, 2020), to date our services business has not been significantly adversely affected. In particular, we have adapted our operations to comply with the authorities’ recommendations in Sweden, Finland and Norway. Moreover, a standard risk assessment that is conducted for all assignments now includes an analysis of any possible spread of infection. We will continue to prioritize the safety and health of our employees and customers, including by monitoring developments in respect of the COVID-19 outbreak and by adapting our operations to implement any further government recommendations.

Equipment and Materials Used

We purchase equipment (machinery, technical equipment and installation equipment) and installation materials in the ordinary course of our business. Our expenses for this equipment and these materials are subject to fluctuations based on our activity levels and the prices of the equipment and materials we purchase. During periods of strong economic growth, our expenditures on equipment and other materials are higher, due to the fact that our installation business, which requires more purchases of materials, makes up a larger share of our total sales than is the case during recessionary periods. We continually seek to consolidate our purchases to achieve volume-based discounts from our suppliers. During economic downturns, when our service business makes up a larger share of our total sales than our installation business, our expenditures on equipment and other materials are lower, due to the fact that maintenance services require the use of less equipment and materials. The prices of the equipment we purchase are subject to variation based on the fluctuations in the prices of raw materials (primarily aluminum, copper and steel) used to produce that equipment.

Acquisitions

In recent years, external growth has contributed to the overall growth of our business, and we intend to continue to pursue acquisitions in order to increase our market presence, our service offering and our service capacity. In 2016, we acquired Skanska Installation, further solidifying our strong position in the Swedish market. In 2017, we made three small “bolt-on” acquisitions in Sweden, and as a result, our net revenue increased by SEK 55 million. In 2018, we completed five small “bolt-on” acquisitions in Sweden, Norway and Finland, as a result of which our net revenue increased by SEK 288 million. In 2019, we acquired businesses with a total turnover of over SEK 500 million, strengthening our Electrical business area’s industrial service footprint (Norrlands Industimontage), building our Heating and Sanitation business area’s capabilities in the district heating niche (Värmesvets Entreprenad, KP Svets & Smide and Industri och Varmemontage Werme AB) as well as expanding our geographical coverage in Norway to the Lillehammer region (Arve Hagen AS, Ramsøy AS and Gjøvik Varme and Sanitær AS).

In the nine months ended September 30, 2020, we completed seven small “bolt-on” acquisitions (in the form of share and asset purchases) in Sweden across several of our business areas, including: Electrical (Elservice i Åmål AB), Heating and Sanitation (Botkyrka VVS & Fastighetsservice AB, El & Installationsteknik i Stockholm AB and SDC Stockholm Design & Construction AB) and Ventilation (Luftkompaniet Sjöblom AB, Projektuppdag Syd AB and Örestadskyl AB). These companies have a total of over 80 employees and estimated aggregated annual revenues of SEK 246 million. These acquisitions were made with cash on balance sheet. Additional variable cash consideration of up to SEK 59 million was payable over the next three years as of September 30, 2020. See Note 7 to the Unaudited Condensed Interim Financial Statements and Note 32 to the Audited Combined Financial Statements. In addition, since October 1, 2020, we have completed an additional thirteen small “bolt-on” acquisitions (in the form of share and asset purchases) in Sweden, Norway and Finland and

across each of our business areas, including: Electrical (J.Östling & C. Sparf El AB, Åby Eltjänst AB, EA Installationer AB and TIS Tervell Installation och Service AB), Heating and Sanitation (Mälardalens Fjärrvärme Entreprenad AB, Essen Rör AB, Kalmar VVS och El-Montage AB and Vantec System AB), Ventilation (FBI Fastighet o Butiksinstallationer AB), Norway (NOR Klima T. Svendsen AS) and Finland (KK Kylmäpalvelu Oy, Salon Kylmäpoja Oy and Karjalan Kylmäpalvelu Oy). These companies have a total of over 270 employees and estimated aggregated annual revenues of over SEK 450 million. The acquisitions completed after September 30, 2020 were made with cash on balance sheet for an aggregate cash consideration of approximately SEK 310 million, of which SEK 300 million has been paid as of the date hereof and SEK 10 million will be payable at a later date under the terms of the relevant acquisition agreements. Furthermore, up to SEK 80 million of additional variable cash consideration is payable over the next three years for the acquisitions completed after September 30, 2020. See Note 7 to the Unaudited Condensed Interim Financial Statements.

Excluding the asset purchase transactions (Elservice i Åmål AB, Mälardalens Fjärrvärme Entreprenad AB and FBI Fastighet o Butiksinstallationer AB), we estimate, based on each company's historical EBITDA derived from its management accounts, as adjusted in a manner consistent with the adjustments applied to our Adjusted EBITDA to the extent applicable and as further adjusted for the application of our accounting policies and other items, that the acquisitions completed since September 30, 2019 would have a positive EBITDA impact of SEK 101 million for the twelve months ended September 30, 2020 if each of the acquisitions was completed on October 1, 2019 (of which, SEK 39 million is attributable to completed acquisitions in the twelve months ended September 30, 2020, with the remaining SEK 62 million attributable to completed acquisitions after September 30, 2020).

On December 8, 2020, Assemblin AB entered into a sale and purchase agreement to acquire Fidelix from the shareholders and option rights holders in Fidelix. The Fidelix Acquisition is subject to approval from the Finnish competition authority. We estimate based on Fidelix's historical EBITDA derived from its management accounts, as adjusted for certain non-recurring items and the estimated pro forma effect of an acquisition by Fidelix, that the Fidelix Acquisition would have a positive EBITDA impact of SEK 80 million for the twelve months ended September 30, 2020 if such acquisition had completed on October 1, 2019. The adjustment is based on Fidelix's historical EBITDA derived from its management accounts, as adjusted for certain non-recurring items, the estimated pro forma effect of an acquisition by Fidelix and the application of consistent accounting policies. See "*Summary—Fidelix—Fidelix Acquisition Rationale.*"

Non-recurring costs related to these acquisitions are discussed below.

Items Affecting Comparability of Results of Operations

Items affecting comparability (including impairment of rights-of-use assets) are categorized as acquisition, integration and start-up costs, restructuring costs, transformation costs and other items affecting comparability. These items, which are discussed below, do not occur regularly and affect comparability between periods both, year over year and quarter over quarter. We believe it is important to clearly distinguish how these items affect each period and therefore show adjusted performance measures. The items affecting comparability (including impairment of rights-of-use assets) are also consistent with how management reviews and evaluates the business and consequently the information is also included in the operating segments' disclosures in notes to the Financial Statements.

The table below sets out the categories of items affecting comparability (including impairment of rights-of-use assets) of our results of operations during periods under review:

	As of and for the year ended December 31,			As of and for the nine months ended September 30,	
	2017	2018	2019	2019	2020
	(SEK millions)				
Acquisition, integration and start-up costs	18	2	19	10	9
Restructuring costs	15	3	171	16	34
Transformation costs	9	—	24	6	—
Other items affecting comparability	19	(21)	31	0	9

Acquisitions, integration and startup costs

We acquire new business and establish new branches when opportunities arise and incur expenses in relation to due diligence and start-up cost. As presented above, this item includes costs incurred in connection with certain

bolt-on acquisitions, certain integration costs related to acquisitions and any net operating loss of newly set-up branches during their first twelve months of operation, during which start-up costs are incurred relating to training, tooling and ramp-up of order backlog.

Costs incurred in connection with certain bolt-on acquisitions included SEK 2 million in connection with five acquisitions in Norway and Sweden for the year ended December 31, 2018, SEK 1 million in connection with three acquisitions in Norway and Sweden for the nine months ended September 30, 2019, SEK 5 million in connection with nine acquisitions in Norway, Sweden and Finland for the year ended December 31, 2019 and SEK 1 million in connection with seven acquisitions in Sweden for the nine months ended September 30, 2020.

Integration costs included SEK 18 million for the year ended December 31, 2017 in connection with the integration of Skanska Installation after being acquired in 2016.

Net operating losses of newly set-up branches included SEK 8 million for the nine months ended September 30, 2019, and net operating losses of newly set-up branches of SEK 14 million for the year ended December 31, 2019. For the nine months ended September 30, 2020, we incurred net operating losses of SEK 7 million.

Restructuring costs

For the year ended December 31, 2017, restructuring costs included costs relating to headcount reductions in Finland (SEK 8 million) and management severance costs (SEK 6 million). For the year ended December 31, 2018, we incurred SEK 3 million in connection with a legal restructuring.

For the nine months ended September 30, 2019, restructuring costs comprised costs relating to the closure of unprofitable branches and personnel redundancies (SEK 12 million) and impairment of rights-of-use assets (SEK 4 million). We incurred an additional SEK 155 million in the three months ended December 31, 2019, resulting in total restructuring costs of SEK 171 million in 2019. For the year ended December 31, 2019, these included costs relating to the closure of unprofitable branches and personnel redundancies (SEK 128 million) and impairment of rights-of-use assets relating to vacated premises (SEK 43 million).

For the nine months ended September 30, 2020, restructuring costs comprised costs relating to the closure and restructuring of branches, including personnel redundancies (SEK 26 million), as well as project-related adjustments (SEK 14 million) and income from the sale of a business in Finland (SEK 6 million).

Transformation costs

For the year ended December 31, 2017, transformation costs included costs incurred in connection with improvement in our IT systems.

For the nine months ended September 30, 2019, transformation costs of SEK 6 million comprised costs incurred in connection with our brand development campaign and costs related to leadership development and to the strengthening of our internal controls systems. We incurred an additional SEK 18 million in the three months ended December 31, 2019 (relating primarily to the strengthening of our internal controls systems), resulting in total transformation costs of SEK 24 million in 2019.

Other

For the year ended December 31, 2017, other items affecting comparability include costs related to an impairment in relation to our old IT systems lacking appropriate functionality.

For the year ended December 31, 2018, we benefitted from the reversal of other income from settlement of a breach of warranty claim in our favor in connection with an acquisition (SEK 25 million) due to a breach of SPA warranties. This was partly offset by costs incurred in connection with the refinancing of certain debt facilities (SEK 4 million).

For the year ended December 31, 2019, we incurred SEK 31 million of costs in connection with the refinancing of certain bank facilities.

For the nine months ended September 30, 2020, we incurred SEK 9 million in costs relating to the refinancing of certain bank facilities with the Original Notes.

Description of Key Line Items

Set forth below is a brief description of our key income statement line items.

Net revenue consist primarily of revenue from construction contracts and service assignments.

- For our construction contracts, revenue from ongoing contracts is recognized over time on the basis of assignment expenditures incurred in relation to the total estimated assignment fees of the assignment. Costs associated with this are recognized in earnings as they arise. Revenue is based on a contractual fixed price; the remuneration amount is variable only in exceptional cases. Changes in the scope of the assignment, claims and incentive remuneration are included in project revenue to the extent that they are agreed upon with the customer and can be reliably measured. A fundamental condition for reporting revenue over time is that the course of events can reasonably be measured against completion of the performance obligation. For projects in which the outcome of a performance obligation cannot reasonably be measured, but coverage is expected for the expenditures that arise from completing the performance obligation, only revenue for expenditures incurred up until the result of the performance obligation can reasonably be measured is reported.
- For our service assignments, revenue and the appurtenant costs are recognized over time (meaning, in pace with the service being provided to the customer). Measurement of the course of events is established on the basis of assignment expenditures incurred in relation to the total estimated assignment expenditures.

For further information on our revenue recognition policy, see Note 1 to the Audited Combined Financial Statements.

Cost for production primarily consist of (i) personnel costs, including wages, bonuses and social security costs, (ii) raw materials and consumables costs, (iii) subcontractors and purchased services costs, and (iv) premises directly linked to production, such as warehouses or workshops. In the year ended December 31, 2019 and the nine months ended September 30, 2020, personnel costs accounted for the largest proportion of cost for production.

Sales and administrative expenses primarily consist of personnel expenses in connection with the general management of our business, including wages, bonuses and social security costs, rental costs for our premises and other overhead costs as well as non-billable white-collar time.

Financial income consists of interest income on invested funds, dividend income, and gains on changes in value of financial assets measured at fair value through profit or loss. Dividend income is recognized when the right to receive dividends has been established.

Financial expenses consist of interest charged on loans, and the effect of unwinding the present value of provisions.

Net financial items consist of net financial income and expense and net foreign exchange gains and foreign exchange losses.

Tax consists of consists of current tax (comprising income tax in each country where we operate) and deferred tax.

Accounting Standards Adopted During the Period

For a description of certain accounting policies adopted during the periods presented, see Note 1 to the Audited Combined Financial Statements. Due to its relatively more significant impact on the periods presented, IFRS 16 Leases is described below.

IFRS 16 Leases

As of January 1, 2019, we apply IFRS 16 Leases. This reporting standard replaces IAS 17 Leases. The Group has selected the modified retrospective approach as the transition method, which means that the comparison figures for 2018 and earlier periods are not restated, and that the difference between right-of-use assets and lease liabilities are recognized in equity adjusted for pre-paid lease expenses and reserves for onerous contracts as at January 1, 2019. The effects of IFRS 16 are recognized at the Group level. The Group recognizes a right-of-use asset and a lease liability on the commencement date of a lease. The right-of-use asset is initially measured at cost, which consists of the original value of the lease liability plus lease expenses paid on or before the commencement date and any initial

direct expenses. The right-of-use asset is thereafter depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset and the end of the lease term.

The lease liability is initially measured at the present value of the future lease expenses over the term of the lease that have not been paid on the commencement date. The lease expenses are discounted with the incremental borrowing rate or implicit interest rate of the lease. The term of the lease comprises the non-cancellable period, with the addition of further periods in the contract if, on the commencement date, it is deemed reasonably certain that these will be exercised.

The lease liability is measured at amortized cost using the effective rate method. The lease liability is remeasured if the future lease expenses change as the result of such factors as changes to an index or price. When the lease liability is remeasured this way, an equivalent adjustment is made to the carrying amount of the right-of-use asset.

Leases where the Group is lessee

Previously, the Group determined whether an agreement contained a lease in accordance with IFRIC 4 Determining Whether an Arrangement Contains a Lease. As of January 1, 2019, the Group determines whether an agreement contains a lease based on the definition of leases in IFRS 16.

At the transition to IFRS 16, the Group chose to apply the relief rule of “inheriting” the previous definition of leasing in conjunction with the transition. This means that IFRS 16 is applied to agreements that were previously identified as leases, and that IFRS 16 is not applied to agreements that previously were deemed not to contain leases. Consequently, the definition of leases under IFRS 16 is applied only the agreements that were amended or signed after January 1, 2019.

Previously, the Group classified leases as operating or finance leases based on whether the lease transferred the risks and rewards of ownership of the underlying asset. In accordance with IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases (in other words, the lease is included in the statement of financial position); exemptions from this are indicated below.

Leases previously classified as operating leases under IAS 17

At the transition, the lease liabilities were measured at the present value of the remaining lease expenses, discounted by the Group’s marginal interest rates on borrowings on the initial date of application (January 1, 2019). Each right-of-use asset was measured at an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease expenses and reserves for onerous contracts.

We chose to apply the following solutions in practice:

- Applied a discount rate based on the Group’s financing expenses on various maturities.
- Adjusted the right-of-use asset by an amount recognized as a provision for operating leases that constituted onerous leases, immediately before the first date of application, as an alternative to performing an impairment review.
- Right-of-use assets and lease liabilities have not been recognized for leases for which the lease term finishes within twelve months or earlier (short-term leases).
- Excluded initial direct payments from the measurement of the right-of-use asset on the first date of application.

Effect on the financial statements

At the date of the transition to IFRS 16, we recognized right-of-use assets of SEK 723 million and lease liabilities of SEK 760 million, of which SEK 80 million were short-term lease liabilities. The difference between assets and liabilities is due to the reclassification of pre-paid lease expenses, and moreover, rights of use being recognized based on IFRS 16 having been applied since the start of the agreement as well as the right-of-use assets being reduced by reserves for onerous leases recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately prior to the transition to IFRS 16 on December 31, 2018.

When measuring the lease liability, we discounted its lease expenses at the marginal interest rate on borrowings at January 1, 2019. The interest rate used in discounting future flows lies between 1.7% and 4.8%, depending on the tenor of the contract. Previous financial leases have been reclassified from property, plant and equipment to right-of-use assets.

The right-of-use assets recognized are attributable to the following types of assets:

	As of January 1, 2019
	<i>(SEK millions)</i>
Leased premises	408
Vehicles	315
Total—Right-of-use assets	<u>723</u>

For a description of the transition effects on assets, liabilities and equity as of January 1, 2019, see Note 1 to the Audited Combined Financial Statements.

Results of Operations

The table below sets forth selected information from our unaudited condensed statement of profit or loss and other comprehensive income for the nine months ended September 30, 2020 and 2019.

Nine Months Ended September 30, 2020 Compared with Nine Months Ended September 30, 2019

	Nine months ended September 30,		
	2019	2020	Change
	<i>(SEK millions)</i>		<i>(%)</i>
Net revenue	7,122	7,277	2.2
Cost for production	(5,828)	(6,018)	3.3
Gross profit	1,295	1,259	(2.8)
Sales and administrative expenses	(1,026)	(965)	(5.9)
Share of profit of equity-accounted investees	0	0	—
Operating profit	268	294	9.7
Financial income	30	20	(33.3)
Financial expenses	(89)	(167)	87.6
Net financial items	(59)	(146)	(147.5)
Profit/(loss) before tax	209	147	(29.7)
Tax	(47)	(35)	(25.5)
Profit for the period	<u>162</u>	<u>112</u>	<u>(30.9)</u>

Net revenue

Net revenue increased by SEK 155 million, or 2.2%, from SEK 7,122 million for the nine months ended September 30, 2019 to SEK 7,277 million for the nine months ended September 30, 2020. Of the total growth, 3.8% was due to acquisitions, which was offset primarily by adverse foreign exchange effects. Organic growth was (0.1)%, which was primarily attributable to the closure of a number of unprofitable units in late 2019 for which we did not generate the same level of net revenue in the nine months ended September 30, 2020 due to the winding down of those branches. Additionally, we experienced enhanced production in several major projects in the nine months ended September 30, 2019, which we was not repeated to the same extent in the corresponding period in 2020. Net revenue from service assignments increased by 6.5% to SEK 2,862 million from SEK 2,688 million, and net revenue from contractor assignments decreased slightly to SEK 4,414 million from SEK 4,434 million, respectively, for the nine months ended September 30, 2020 from the same period in the prior year. Order intake for the period decreased 16.2% period-on-period to SEK 7,252 million for the nine months ended September 30, 2020, compared to SEK 8,652 million during the nine months ended September 30, 2019, driven in particular by two large orders in 2019: Stockholm Bypass project from the Swedish Transportation Administration and the new health care building in the Malmö hospital district (representing a combined order intake of SEK 1,387 million). The order backlog as of September 30, 2020 decreased to SEK 8,245 million, compared to SEK 8,478 million as of September 30, 2019.

Electrical Segment

Net revenue of the Electrical segment for the period remained flat at SEK 2,932 million for the nine months ended September 30, 2020 compared to SEK 2,934 million for the nine months ended September 30, 2019. Net

revenue grew in the first six months of 2020 (as compared to the corresponding period 2019), which was offset by a decrease in net revenues in the three months ended September 30, 2020 due to enhanced activity in operations in the corresponding period in 2019. Order intake decreased from SEK 3,309 million for the nine months ended September 30, 2019 compared to SEK 3,038 million for the nine months ended September 30, 2020, driven primarily by two large projects in 2019: the assignments in Malmö's hospital district and the LKAB relocation project in Kiruna. As of September 30, 2020, order backlog amounted to SEK 3,102 million compared to SEK 2,970 million as of September 30, 2019.

Heating and Sanitation Segment

Net revenue of the Heating and Sanitation segment increased by 0.8%, from SEK 1,908 million for the nine months ended September 30, 2019 to SEK 1,924 million for the nine months ended September 30, 2020. The increase in net revenue over the first six months of 2020 were offset in part by a decrease in net revenue for the three months ended September 30, 2020 (compared to the corresponding period in 2019), primarily due to the closure of a number of unprofitable units in late 2019 and the enhanced level of activity in operations during the second half of 2019. Order intake decreased from SEK 2,351 million for the nine months ended September 30, 2019 compared to SEK 1,963 million for the nine months ended September 30, 2020, driven primarily by two large projects included in the nine months ended September 30, 2019 described above in connection with the Electrical segment, which significantly contributed to the order intake for that period. Order backlog as of September 30, 2020 increased to SEK 2,103 million, compared to SEK 2,085 million as of September 30, 2018.

Ventilation Segment

Net revenue of the Ventilation segment decreased by 1.7%, from SEK 1,000 million for the nine months ended September 30, 2019 to SEK 983 million for the nine months ended September 30, 2020, driven primarily by lower sales volume in the first three months of 2020 (compared to the corresponding period in 2019) attributable to delayed start dates in a small number of major publicly funded assignments due to slower planning process than anticipated (and unrelated to the COVID-19 pandemic). This decrease was offset in part by increases in net revenue over the subsequent six months of 2020 (as compared to the corresponding period in 2019). Decreases in order intakes from SEK 1,932 million for the nine months ended September 30, 2019 compared to SEK 1,675 million for the nine months ended September 30, 2020, were driven primarily by the two large projects included in the nine months ended September 30, 2019 described above in connection with the Electrical segment, which significantly contributed to the order intake for that period. Order backlog as of September 30, 2020 decreased to SEK 1,675 million, compared to SEK 1,932 million as of September 30, 2019.

Norway Segment

Net revenue of the Norway segment increased by 19.8%, from SEK 904 million for the nine months ended September 30, 2019 to SEK 1,083 million for the nine months ended September 30, 2020, driven primarily by previously completed acquisitions and ongoing projects within those companies and new installation and service assignments. Order intake decreased slightly from SEK 1,176 million for the nine months ended September 30, 2019 compared to SEK 1,132 million for the nine months ended September 30, 2020. Management believes that order book in Norway is currently at full capacity. Accordingly, we took a selective approach to undertaking new projects. Order backlog as of September 30, 2020 decreased to SEK 1,132 million, compared to SEK 1,176 million as of September 30, 2019.

Finland Segment

Net revenue of the Finland segment increased by 1.7%, from SEK 418 million for the nine months ended September 30, 2019 to SEK 425 million for the nine months ended September 30, 2020, driven by new assignments, which included primarily small installation and service assignments. Order intake increased from SEK 369 million for the nine months ended September 30, 2019 compared to SEK 427 million for the nine months ended September 30, 2020. Order backlog as of September 30, 2020 decreased to SEK 233 million, compared to SEK 316 million as of September 30, 2019.

Cost for production

Cost for production increased by SEK 190 million, or 3.3%, from SEK 5,828 million for the nine months ended September 30, 2019 to SEK 6,018 million for the nine months ended September 30, 2020, driven by increases in

the installation and service assignments. The slight increase in cost of production relative to net revenue increase was primarily related to business mix (which, among other things, resulted in an increased utilization of white-collar labor and shifted costs from sales and administrative expenses to cost of production).

Sales and administrative expenses

Sales and administrative expenses decreased by SEK 61 million, or 5.9% from SEK 1,026 million for the nine months ended September 30, 2019 to SEK 965 million for the nine months ended September 30, 2020, driven by increased efficiency and the effects of our accelerated profitability program.

Operating profit

Operating profit increased by SEK 26 million, or 9.7%, from SEK 268 million for the nine months ended September 30, 2019 to SEK 294 million for the nine months ended September 30, 2020, as the increase in net revenue and decrease in sales and administrative expenses were in excess of increases in the cost for production.

Net financial items

Net financial items deteriorated by SEK 87 million from negative SEK 59 million for the nine months ended September 30, 2019 to negative SEK 146 million for the nine months ended September 30, 2020. The change in net financial items and other financial expenses was attributable to the refinancing of bank loans into the Original Notes (which carry a higher interest rate) at the end of 2019. Net financial items in 2019 were positively impacted by a dividend from the partially owned company Elajo in the second quarter, which we did not benefit from in the nine months ended September 30, 2020.

Tax for the period

Tax for the period amounted to SEK 47 million and SEK 35 million in the nine months ended September 30, 2019 and 2020, respectively, corresponding to 22.5% and 23.8% of profit before tax of SEK 209 million and SEK 147 million for the respective periods.

Profit for the period

Profit for the period decreased by SEK 50 million, or 30.9%, from SEK 162 million for the nine months ended September 30, 2019 to SEK 112 million for the nine months ended September 30, 2020, as a result of the factors described above.

Adjusted EBITA and margins

Our Adjusted EBITA for the period increased from SEK 312 million for the nine months ended September 30, 2019 to SEK 365 million for the nine months ended September 30, 2020, which is an increase of 17.0%, while Adjusted EBITA Margin was 4.4% and 5.0% in the respective periods. The improvement in earnings and profitability was driven by measures to enhance profitability that were taken in late 2019 through our accelerated profitability program, in combination with profitable acquisitions. These improvements were offset in part by negative effects on demand from the COVID-19 pandemic (particularly in second quarter of 2020), as well as a project write-down in Finland (also in the second quarter of 2020). In addition, earnings and profitability for the nine months ended September 30, 2019 were negatively impacted by the first-quarter project write-downs in Norway and Finland totaling SEK 23 million (before recovering in both the second and third quarters).

Adjusted EBITA for the Electrical segment increased by 8.6% from SEK 128 million for the nine months ended September 30, 2019 to SEK 139 million for the nine months ended September 30, 2020, while the Adjusted EBITA Margin was 4.4% and 4.7% in the respective periods, primarily driven by the positive effects of our accelerated profitability program.

For the Heating and Sanitation segment, Adjusted EBITA increased by 10.1% from SEK 89 million for the nine months ended September 30, 2019 to SEK 98 million for the nine months ended September 30, 2020, and while the Adjusted EBITA Margin also improved from 4.7% to 5.1% over the same period, primarily due to the positive effects of our accelerated profitability program.

Adjusted EBITA for the Ventilation segment increased by 13.9% from SEK 36 million for the nine months ended September 30, 2019 to SEK 41 million for the nine months ended September 30, 2020, while Adjusted EBITA Margin also improved from 3.6% to 4.2% over the same period. The difference year-on-year is attributable primarily to the positive effects of our accelerated profitability program.

In the Norway segment, Adjusted EBITA increased by 72.7% from SEK 44 million for the nine months ended September 30, 2019 to SEK 76 million for the nine months ended September 30, 2020, while Adjusted EBITA Margin also improved from 4.9% to 7.0% over the same period. The difference year-on-year is attributable to the positive effects of our accelerated profitability program, previously completed acquisitions and project write-downs in 2019.

In the Finland segment, Adjusted EBITA decreased from SEK 5 million for the nine months ended September 30, 2019 to negative SEK 1 million for the nine months ended September 30, 2020, while Adjusted EBITA Margin also declined from 1.2% to negative 0.2% over the same period.

The table below sets out the comparative information on results of operations of each of our reporting segments for the periods indicated:

	Electrical		Heating & Sanitation		Ventilation		Norway		Finland		Group-wide		Eliminations & other		Total	
							Nine months ended September 30,									
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(SEK millions)															
External net revenue	2,881	2,889	1,886	1,850	1,023	1,074	1,083	904	425	417	0	0	(21)	(12)	7,277	7,122
Internal net revenue	51	45	38	59	(40)	(75)	0	—	0	0	—	—	(49)	(29)	—	—
Net revenue	2,932	2,934	1,924	1,908	983	1,000	1,083	904	425	418	0	0	(70)	(40)	7,277	7,122
Of which service assignments	1,359	1,375	681	664	222	198	484	294	136	187	—	—	(19)	(30)	2,862	2,688
Operating costs ⁽¹⁾⁽²⁾	(2,756)	(2,768)	(1,803)	(1,797)	(927)	(950)	(1,003)	(857)	(426)	(413)	(1)	—	156	121	(6,760)	(6,664)
Depreciation of property, plant and equipment and rights-of-use assets ⁽²⁾	(37)	(38)	(23)	(22)	(15)	(13)	(4)	(3)	0	0	0	(2)	(73)	(68)	(153)	(146)
Adjusted EBITA ⁽²⁾⁽³⁾	139	128	98	89	41	36	76	44	(1)	5	(1)	(2)	13	12	365	312
Adjusted EBITA Margin (%) ⁽³⁾	4.7	4.4	5.1	4.7	4.2	3.6	7.0	4.9	(0.2)	1.2	—	—	—	—	5.0	4.4
Items affecting comparability (including impairment of rights-of-use assets)	(35)	(11)	(33)	(2)	20	—	—	(5)	—	(3)	(3)	(10)	—	—	(51)	(31)
EBITA ⁽³⁾	104	117	65	87	61	36	76	39	(1)	2	(4)	(13)	13	12	314	280
Order backlog	3,102	2,970	2,103	2,085	1,675	1,932	1,132	1,176	233	316	—	—	—	—	8,245	8,478
Order intake	3,038	3,309	1,963	2,351	838	1,683	985	940	427	369	—	—	—	—	7,252	8,652

Note:

(1) Excluding amortization, depreciation and items affecting comparability (including impairment of rights-of-use assets).

(2) Our management evaluates segment results without effects from IFRS 16 leases, which was implemented on January 1, 2019. As such, individual segment results exclude the impact of IFRS 16 on the combined financial information as of and for the nine months ended September 30, 2019 and 2020. See Note 2 to the Unaudited Condensed Interim Financial Statements.

(3) EBITA, Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets) as described above. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. EBITA and Adjusted EBITA of individual segments are presented before intragroup eliminations.

Year Ended December 31, 2019 Compared with the Year Ended December 31, 2018

	Year ended December 31,		Change
	2018	2019	
	(SEK millions)		(%)
Net revenue	8,885	9,978	12.3
Cost for production	(7,186)	(8,131)	13.2
Gross profit	1,699	1,848	8.8
Sales and administrative expenses	(1,285)	(1,595)	24.1
Share of profit of equity-accounted investees	1	—	—
Operating profit	414	252	(39.1)
Financial income	7	59	742.9
Financial expenses	(201)	(179)	(10.9)
Net financial items	(193)	(120)	(37.8)
Profit/(loss) before tax	220	133	(39.5)
Tax	(77)	(40)	(48.1)
Profit for the year	143	92	(35.7)

Net revenue

Net revenue increased by SEK 1,093 million, or 12.3%, from SEK 8,885 million for the year ended December 31, 2018 to SEK 9,978 million for the year ended December 31, 2019. Of the total growth, 8.3% is attributable to organic growth and the remainder was due to acquisitions (3.7%) and foreign exchange effects (0.3%). Organic growth was driven primarily by increasing volumes from both installation and service assignments in all business areas, particularly in the Electrical segment. Net revenue from service assignments and contractor assignment operations increased by 13.2% to SEK 3,833 million from SEK 3,387 million and 11.8% to SEK 6,145 million from SEK 5,498 million, respectively, for the year ended December 31, 2019 from the same period in the prior year. Order intake for the period increased 19.0% period-on-period to SEK 11,258 million for the year ended December 31, 2019, compared to SEK 9,459 million during the year ended December 31, 2018, driven in particular by two large orders: Stockholm Bypass project from the Swedish Transportation Administration and the new health care building in the Malmö hospital district. The large order intake meant that order backlog as of December 31, 2019 had reached a record high of SEK 8,478 million, compared to SEK 6,971 million as of December 31, 2018.

Electrical Segment

Net revenue of the Electrical segment for the period increased by 15.6%, from SEK 3,592 million for the year ended December 31, 2018 to SEK 4,151 million for the year ended December 31, 2019. Growth in 2019 was primarily organic. Order intake increased from SEK 4,214 million for the year ended December 31, 2018 to SEK 4,507 million for the year ended December 31, 2019. New assignments included the new electrical and automation assignments in Malmö's hospital district as well as the LKAB relocation project in Kiruna, which together total SEK 573 million. Other new assignments pertain to contract and service assignments. As of December 31, 2019, order backlog amounted to SEK 3,029 million compared to SEK 2,590 million as of December 31, 2018.

Heating and Sanitation Segment

Net revenue of the Heating and Sanitation segment increased by 10.6%, from SEK 2,388 million for the year ended December 31, 2018 to SEK 2,642 million for the year ended December 31, 2019, driven by previously completed acquisitions and organic growth. Order intake increased from SEK 2,606 million for the year ended December 31, 2018 to SEK 3,007 million for the year ended December 31, 2019. The single largest new order pertained to ventilation and sanitary installations in the new medical building in Malmö's hospital district as well as the LKAB relocation project in Kiruna, which together totaled SEK 342 million. Order backlog as of December 31, 2019 increased to SEK 2,005 million, compared to SEK 1,602 million as of December 31, 2018.

Ventilation Segment

Net revenue of the Ventilation segment increased by 3.8%, from SEK 1,317 million for the year ended December 31, 2018 to SEK 1,367 million for the year ended December 31, 2019, driven primarily by organic growth and previously completed acquisitions. Increases in order intakes from SEK 1,204 million for the year ended December 31, 2018 to SEK 1,956 million for the year ended December 31, 2019 were driven by the new assignments in Malmö's hospital district and the LKAB relocation project in Kiruna. Order backlog as of December 31, 2019 increased to SEK 1,805 million, compared to SEK 1,338 million as of December 31, 2018.

Norway Segment

Net revenue of the Norway segment increased by 19.8%, from SEK 1,073 million for the year ended December 31, 2018 to SEK 1,285 million for the year ended December 31, 2019, driven primarily by previously completed acquisitions and new installation and service assignments. Increases in order intakes from SEK 963 million for the year ended December 31, 2018 to SEK 1,296 million for the year ended December 31, 2019 were driven by the new assignments that include the property at Universitetsgade 2 in Oslo (NOK 80 million). Order backlog as of December 31, 2019 increased to SEK 1,367 million, compared to SEK 1,097 million as of December 31, 2018.

Finland Segment

Net revenue of the Finland segment increased by 10.9%, from SEK 539 million for the year ended December 31, 2018 to SEK 598 million for the year ended December 31, 2019, driven by new assignments, which included primarily small installation and service assignments. Order intake increased from SEK 472 million for the year ended December 31, 2018 compared to SEK 492 million for the year ended December 31, 2019. Order backlog as of December 31, 2019 decreased to SEK 272 million, compared to SEK 344 million as of December 31, 2018.

Cost for production

Cost for production increased by SEK 945 million, or 13.2%, from SEK 7,186 million for the year ended December 31, 2018 to SEK 8,131 million for the year ended December 31, 2019, driven by increases in the installation and service assignments. The higher growth of cost of production relative to net revenue increase was primarily related to business mix as the costs for production in the year ended December 31, 2019 was driven by a relatively higher proportion of early-stage projects (late-stage projects typically enjoying higher margins as the outcome becomes more certain) as well as lower amount of pass-through costs incurred (such as subcontractor costs), compared to the same period in 2018. To a lesser extent, project write-downs in the first quarter of 2019 in Norway and Finland also contributed to the effect.

Sales and administrative expenses

Sales and administrative expenses increased by SEK 310 million, or 24.1% from SEK 1,285 million for the year ended December 31, 2018 to SEK 1,595 million for the year ended December 31, 2019, driven by additional white-collar labor (project managers) to support production; costs for new branch offices and acquisitions and items affecting comparability (including impairment of rights-of-use assets) between periods, which in 2018 benefitted from a reversal of other income from settlement of a breach of warranty claim in our favor in connection with an acquisition (SEK 25 million), while in the same period in 2019 increased due to higher costs related to acquisitions and establishment of new branches, transformation program costs and restructuring costs.

Operating profit

Operating profit decreased by SEK 162 million, or 39.1%, from SEK 414 million for the year ended December 31, 2018 to SEK 252 million for the year ended December 31, 2019, as increases in the growth in cost for production and sales and administrative expenses were in excess of the increase in net revenue. The decrease in operating profit was offset by a slight increase in operating profit resulting from the net effect of the application of IFRS 16 from January 1, 2019.

Net financial items

Net financial items improved by SEK 73 million, or 37.8%, from negative SEK 193 million for the year ended December 31, 2018 to negative SEK 120 million for the year ended December 31, 2019. The change in net financial items and other financial expenses was attributable to refinancing shareholder loans into bank loans

with better financial terms, as a result of the refinancing at the end of 2018. Net financial items were also positively impacted by a dividend from the partially owned company Elajo in the second quarter. Capitalized arrangement fees from refinanced bank loans impacted both 2019 and 2018 due to the refinancing with the proceeds from the issue of the Original Notes in 2019, as well as the refinancing of shareholder loans in each of the respective quarters.

Tax for the year

Tax for the period amounted to SEK 77 million and SEK 40 million in the years ended December 31, 2018 and 2019, respectively, corresponding to 35.0% and 30.1% of profit before tax of SEK 220 million and SEK 133 million for the respective periods.

Profit for the period

Profit for the year decreased by SEK 51 million from SEK 143 million for the year ended December 31, 2018 to SEK 92 million for the year ended December 31, 2019, due to the factors described above.

Adjusted EBITA and margins

Our Adjusted EBITA for the period increased from SEK 401 million for the year ended December 31, 2018 to SEK 516 million for the year ended December 31, 2019, which is an increase of 28.7%, while Adjusted EBITA Margin was 4.5% and 5.2% in the respective periods. Earnings and profitability for the period were negatively impacted in 2019 by the first-quarter project write-downs in Norway and Finland totaling SEK 23 million, but they recovered in subsequent quarters, including due to the number of cost saving initiatives and operational efficiency measures to improve profitability that were launched in the fourth quarter.

Adjusted EBITA for the Electrical segment increased by 34.5% from SEK 165 million for the year ended December 31, 2018 to SEK 222 million for the year ended December 31, 2019, while the Adjusted EBITA Margin also improved from 4.6% to 5.3% over the same period.

For the Heating and Sanitation segment, Adjusted EBITA increased by 29.9% from SEK 107 million for the year ended December 31, 2018 to SEK 139 million for the year ended December 31, 2019 due to previously completed acquisitions with good profitability, while the Adjusted EBITA Margin also improved from 4.5% to 5.3% over the same period.

Adjusted EBITA for the Ventilation segment remained stable at SEK 73 million and SEK 73 million for the years ended December 31, 2018 and 2019, respectively, while Adjusted EBITA Margin declined from 5.5% to 5.3%. The difference year-on-year is attributable in part to costs related to the start-up of large new projects with limited material content in early phases and conservative margins, as well as comparability with the strong completion of two large projects in the first quarter of 2018.

In the Norway segment, weaker profitability in the first quarter of the year (due to the project write-downs mentioned above) experienced robust recovery in subsequent quarters. Adjusted EBITA for the period declined slightly from SEK 71 million for the year ended December 31, 2018 to SEK 70 million for the year ended December 31, 2019, while the Adjusted EBITA Margin also declined from 6.6% to 5.4% over the same period.

Adjusted EBITA for the Finland segment increased slightly from SEK 11 million to SEK 12 million, while the Adjusted EBITA Margin remained stable at 2.0% and 2.0% in the years ended December 31, 2018 and 2019, respectively.

The table below sets out the comparative information on results of operations of each of our reporting segments for the periods indicated:

	Electrical		Heating & Sanitation		Ventilation		Norway		Finland		Group-wide		Eliminations & other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	Year ended December 31, (SEK millions)															
External net revenue	4,088	3,560	2,565	2,327	1,462	1,399	1,285	1,073	597	539	0	—	(19)	(13)	9,978	8,885
Internal net revenue	63	32	77	61	(94)	(82)	—	0	0	0	—	—	(46)	(10)	—	—
Net revenue	4,151	3,592	2,642	2,388	1,367	1,317	1,285	1,073	598	539	0	—	(65)	(23)	9,978	8,885
Of which service assignments	1,909	1,733	925	789	273	225	463	393	263	247	—	—	—	—	3,833	3,387
Operating costs ⁽¹⁾⁽²⁾	(3,878)	(3,385)	(2,474)	(2,254)	(1,276)	(1,228)	(1,211)	(998)	(586)	(528)	(12)	(26)	175	23	(9,262)	(8,396)
Depreciation of property, plant and equipment and rights-of-use assets ⁽²⁾	(51)	(42)	(29)	(27)	(18)	(16)	(4)	(4)	0	—	(3)	(2)	(95)	2	(200)	(88)
Adjusted EBITA ⁽²⁾⁽³⁾	222	165	139	107	73	73	70	71	12	11	(15)	(29)	15	2	516	401
Adjusted EBITA Margin (%) ⁽²⁾⁽³⁾	5.3	4.6	5.3	4.5	5.3	5.5	5.4	6.6	2.0	2.0	—	—	—	—	5.2	4.5
Items affecting comparability (including impairment of rights-of-use assets)	(84)	25	(65)	0	(16)	0	(18)	(1)	(2)	1	(61)	(8)	—	—	(246)	16
EBITA ⁽²⁾⁽³⁾	138	190	74	107	57	73	52	70	9	12	(76)	(36)	15	2	270	418
Order backlog	2,029	2,590	2,005	1,602	1,805	1,338	1,367	1,097	272	344	—	—	—	—	8,478	6,971
Order intake	4,507	4,214	3,007	2,606	1,956	1,204	1,296	963	492	472	—	—	—	—	11,258	9,459

Note:

(1) Excluding amortization, depreciation and items affecting comparability (including impairment of rights-of-use assets).

(2) Our management evaluates segment results without effects from IFRS 16 leases, which was implemented on January 1, 2019. As such, individual segment results exclude the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019. See Note 3 to the Audited Combined Financial Statements.

(3) EBITA, Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets) as described above. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. EBITA and Adjusted EBITA of individual segments are presented before intragroup eliminations.

Year Ended December 31, 2018 Compared with the Year Ended December 31, 2017

	Year ended December 31,		Change (%)
	2017 (SEK millions)	2018	
Net revenue	8,169	8,885	8.8
Cost for production	(6,666)	(7,186)	7.8
Gross profit	1,503	1,699	13.0
Sales and administrative expenses	(1,388)	(1,285)	(7.4)
Share of profit of equity-accounted investees	—	1	—
Operating profit	115	414	260.0
Financial income	4	7	75.0
Financial expenses	(146)	(201)	37.7
Net financial items	(142)	(193)	35.9
Profit/(loss) before tax	(27)	220	—
Tax	50	(77)	—
Profit for the year	22	143	550.0

Net revenue

Net revenue increased by SEK 716 million, or 8.8%, from SEK 8,169 million for the year ended December 31, 2017 to SEK 8,885 million for the year ended December 31, 2018. Of the total growth, 6.9% consisted of organic growth and the remainder was due to acquisitions. Organic growth was driven in part by a stable inflow of smaller and medium-sized local assignment and in part by larger assignments. Interest in multi-tech assignments and partnering projects grew in major procurements, which is favorable for major providers of complete service and installation solutions like Assemblin. Sales rose in all segments, primarily in Norway and Ventilation. Order intake for the period decreased year-on-year to SEK 9,459 million for the year ended December 31, 2018, compared to SEK 9,899 million during the year ended December 31, 2017, while order backlog increased from SEK 6,223 million as of December 31, 2017 to SEK 6,971 million as of December 31, 2018. Among the large new contract assignments announced during 2018 were a large proportion of multi-tech assignments, including the first phase of New Hospital District (NSM) in Malmö, the renovation of Sollentuna Hospital and a housing project in the Västra Hamnen district of Malmö.

Electrical Segment

Net revenue of the Electrical segment was stable, at SEK 3,559 million and SEK 3,592 million, respectively for the years ended December 31, 2017 and 2018. Major projects in 2018 included the ESS research facility in Lund, the Patienten hospital construction in Stockholm, the terminal expansion at Landvetter Airport, the C4 Shopping center in Kristianstad and Hubben in Uppsala Science Park. As of December 31, 2018, order backlog amounted to SEK 2,590 million compared to SEK 2,026 million as of December 31, 2017.

Heating and Sanitation Segment

Net revenue of the Heating and Sanitation segment increased by 5.9%, from SEK 2,256 million for the year ended December 31, 2017 to SEK 2,388 million for the year ended December 31, 2018. Growth was greatest in servicing, which grew 16.5% year-on-year. Ongoing larger projects included student housing at Campus Albano in Stockholm, residences at Parken 2 in Lund, the new Geely main office in Gothenburg, the conversion of the Patienten hospital building in Stockholm and the terminal expansion at Landvetter Airport. Order backlog as of December 31, 2018 increased to SEK 1,602 million, compared to SEK 1,381 million as of December 31, 2017.

Ventilation Segment

Net revenue of the Ventilation segment increased by 22.9%, from SEK 1,072 million for the year ended December 31, 2017 to SEK 1,317 million for the year ended December 31, 2018, driven primarily by organic growth and, to a lesser extent, completed acquisitions. Increased order intake was driven by the new assignments in Malmö's hospital district. Larger ongoing projects included the Högländ hospital in Eksjö, the Gäddorna

office and residential properties in Malmö and the Chopin and Solletuna Sjukhus hospital projects in Stockholm, as well as new service assignment with Skandiafastigheter. Order backlog as of December 31, 2018 decreased to SEK 1,338 million, compared to SEK 1,527 million as of December 31, 2017.

Norway Segment

Net revenue of the Norway segment increased by 25.4%, from SEK 856 million for the year ended December 31, 2017 to SEK 1,073 million for the year ended December 31, 2018, driven primarily by organic growth. The largest ongoing projects are the new office at Orkla, Tønsberg hospital project, the Tomtebygga B1 hotel and residential property, the HSM Døyén residential district in the greater Oslo area. Order backlog as of December 31, 2018 increased to SEK 1,097 million, compared to SEK 965 million as of December 31, 2017.

Finland Segment

Net revenue of the Finland segment increased by 9.6%, from SEK 492 million for the year ended December 31, 2017 to SEK 539 million for the year ended December 31, 2018, driven by translation effects and organic growth offsetting the effect of discontinued pipeline renovation operations. Order backlog as of December 31, 2018 increased to SEK 344 million, compared to SEK 324 million as of December 31, 2017.

Cost for production

Cost for production increased by SEK 520 million, or 7.8%, from SEK 6,666 million for the year ended December 31, 2017 to SEK 7,186 million for the year ended December 31, 2018, driven by increases in the installation and service assignments.

Sales and administrative expenses

Sales and administrative expenses decreased by SEK 103 million, or 7.4%, from SEK 1,388 million for the year ended December 31, 2017 to SEK 1,285 million for the year ended December 31, 2018. Cost reductions were driven by continual focus on overhead costs, reduced costs after the successful integration of Skanska Installation as well as a reduction in items affecting comparability (including impairment of rights-of-use assets) between periods, which were elevated in 2017 due to the costs related to the integration of Skanska Installation and internal restructuring costs.

Operating profit

Operating profit increased by SEK 299 million, or 260.0%, from SEK 115 million for the year ended December 31, 2017 to SEK 414 million for the year ended December 31, 2018. The improvement in earnings is generally a result of management's efforts on reversing the trend in less profitable divisions, more structured monitoring and better project control.

Net financial items

Net financial items deteriorated by SEK 51 million, or 35.9%, from negative SEK 142 million for the year ended December 31, 2017 to negative SEK 193 million for the year ended December 31, 2018 driven mainly by refinancing activity and the capitalized arrangement fees related to previous financing arrangements being expensed, partly offset by a lower interest expense.

Tax for the year

We recognized a net tax benefit in the year ended December 31, 2017 of SEK 50 million, as current tax expense for the year was more than offset by the deferred tax loss carry-forwards. Tax for the year was SEK 77 million for the year ended December 31, 2018, amounting to 35.0% of the profit before tax of SEK 220 million for the period.

Profit for the period

Profit for the year increased by SEK 121 million from SEK 22 million for the year ended December 31, 2017 to SEK 143 million for the year ended December 31, 2018, due to the factors described above.

Adjusted EBITA and margins

Adjusted EBITA for the full year enjoyed a robust increase, rising 59.8% from SEK 251 million for the year ended December 31, 2017 to SEK 401 million for the year ended December 31, 2018. The Adjusted EBITA Margin improved from 3.1% to 4.5% over the same periods. The improvement in earnings is generally an effect of conscious work on reversing the trend in less profitable divisions, more structured monitoring and better project control. Profitability increased significantly in all segments.

Adjusted EBITA for the Electrical segment increased by 60.2% from SEK 103 million for the year ended December 31, 2017 to SEK 165 million for the year ended December 31, 2018, while the Adjusted EBITA Margin improved from 2.9% to 4.6% over the same period.

For the Heating and Sanitation segment, Adjusted EBITA increased by 67.2% from SEK 64 million for the year ended December 31, 2017 to SEK 107 million for the year ended December 31, 2018 while the Adjusted EBITA Margin also improved from 2.8% to 4.5% over the same period.

Adjusted EBITA for the Ventilation segment grew significantly, increasing 46% from SEK 50 million for the year ended December 31, 2017 to SEK 73 million for the year ended December 31, 2018, while Adjusted EBITA Margin improved from 4.7% to 5.5% over the same period, partly due to strong completion for two of the projects in the first quarter of 2018.

The Norway segment produced the strongest profitability. Adjusted EBITA for the period increasing strongly by 29% from SEK 55 million for the year ended December 31, 2017 to SEK 71 million for the year ended December 31, 2018, while Adjusted EBITA Margin improved from 6.4% to 6.6% over the same period.

The Finland segment reported positive earnings for the first time in several years, with Adjusted EBITA improving to SEK 11 million for the year ended December 31, 2018 and Adjusted EBITA Margin of 2.0% from a loss of SEK 15 million in the prior year.

The table below sets out the comparative information on results of operations of each of our reporting segments for the periods indicated:

	Electrical		Heating & Sanitation		Ventilation		Norway		Finland		Group-wide		Eliminations & other		Total	
	2018	2017	2018	2017	2018	2017	Year ended December 31,		2018	2017	2018	2017	2018	2017	2018	2017
							(SEK millions)									
External net revenue	3,560	3,515	2,327	2,256	1,399	1,049	1,073	856	539	492	—	—	(13)	—	8,885	8,169
Internal net revenue	32	43	61	—	(82)	23	0	—	0	—	—	—	(10)	(66)	—	—
Net revenue	3,592	3,559	2,388	2,256	1,317	1,072	1,073	856	539	492	—	—	(23)	(66)	8,885	8,169
Of which servicing	1,733	1,707	789	677	225	133	393	271	247	134	—	—	—	—	3,387	2,922
Operating costs ⁽¹⁾	(3,385)	(3,420)	(2,254)	(2,165)	(1,228)	(1,008)	(998)	(799)	(528)	(507)	(26)	(6)	23	66	(8,396)	(7,839)
Depreciation of property, plant and equipment and rights-of-use assets	(42)	(35)	(27)	(27)	(16)	(13)	(4)	(2)	—	—	(2)	0	2	(42)	(88)	(78)
Adjusted EBITA ⁽²⁾	165	103	107	64	73	50	71	55	11	(15)	(29)	(6)	2	—	401	252
Adjusted EBITA Margin (%) ⁽²⁾	4.6	2.9	4.5	2.8	5.5	4.7	6.6	6.4	2.0	(3.0)	—	—	—	—	4.5	3.1
Items affecting comparability (including impairment of rights-of-use assets)	25	(11)	0	(1)	0	(1)	(1)	—	1	(8)	(8)	(40)	—	—	16	(61)
EBITA ⁽²⁾	190	92	107	63	73	49	70	55	12	(23)	(36)	(27)	2	—	418	191
Order backlog	2,590	2,026	1,602	1,381	1,338	1,527	1,097	965	344	324	—	—	—	—	6,971	6,223
Order intake	4,214	4,128	2,606	2,374	1,204	1,836	963	1,102	472	459	—	—	—	—	9,459	9,899

Note:

(1) Excluding amortization, depreciation and items affecting comparability (including impairment of rights-of-use assets).

(2) EBITA, Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets) as described above. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. EBITA and Adjusted EBITA of individual segments are presented before intragroup eliminations.

Liquidity and Capital Resources

“Liquidity” describes the ability of a company to generate sufficient cash flow to meet the cash requirements of its business operations, including but not limited to working capital needs, capital expenditures, debt service obligations, contractual obligations and acquisitions. Our primary uses of liquidity are to meet our debt service obligations, to fund capital expenditures and selected bolt-on acquisitions and to fund changes in working capital. Our primary sources of liquidity are provided by cash generated from our operating activities, our leasing facilities which we utilize primarily to fund vehicle purchases, and further supplemented by amounts drawn under the Revolving Credit Facility. We expect to draw on the Revolving Credit Facility to service our working capital needs and for other general corporate purposes. Borrowings and availability under the Revolving Credit Facility will be subject to certain conditions precedent, including compliance with financial maintenance and other covenants and representations and warranties. See “*Description of Certain Financing Arrangements—The Super Senior Facilities.*” Additionally, in connection with the Fidelix Acquisition, we expect the Sponsor to contribute €20 million (or approximately SEK 210 million) in cash on or about the Completion Date in the form of an equity contribution.

Although we believe that our expected cash flow from operating activities will be adequate to meet our expected liquidity needs, including our debt service obligations, we cannot assure you that our business will generate sufficient cash flow from operations to meet these needs or that future debt or equity financing will be available to us in an amount sufficient to meet our liquidity needs, including making payments on the Notes or on our other debt when due. If our cash flow from operating activities is lower than expected, we may be required to seek additional financing, which may not be available on commercially reasonable terms, if at all. Our ability to arrange financing generally and our cost of capital depend on numerous factors, including general economic conditions, the availability of credit from banks, other financial institutions and capital markets, restrictions in the instruments governing our debt and our general financial performance. See “*Risk Factors—Risks Related to Our Financial Profile—Our substantial leverage and debt service obligations may make it difficult for us to fulfill our obligations under the Notes and operate our business*” and “*Risk Factors—Risks Related to Our Financial Profile—We may not be able to generate sufficient cash to service our indebtedness, including due to factors outside our control, and we may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.*”

Cash Flow

The table below sets forth our consolidated cash flow statement for the nine months ended September 30, 2019 and 2020 and for years ended December 31, 2017, 2018 and 2019.

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	(SEK millions)				
<i>Operating activities</i>					
Profit/loss before tax	(27)	220	133	209	147
Adjustments for items not included in the cash flow ⁽¹⁾	263	228	484	153	220
Tax paid	(4)	(48)	(12)	(26)	(17)
Increase/decrease in inventory	(8)	11	(9)	(7)	2
Increase/decrease in operating receivables	269	(90)	(47)	43	205
Increase/decrease in operating liabilities	(401)	195	(65)	(271)	(148)
Cash flow from operating activities	92	516	485	102	409
<i>Investment activities</i>					
Acquisitions of subsidiaries	(11)	(63)	(211)	(103)	(152)
Disposal of subsidiaries	0	—	0	—	—
Acquisitions of intangible fixed assets	(8)	0	(2)	(2)	(6)
Acquisitions of property, plant and equipment	(14)	(41)	(14)	(10)	—
Disposal of property, plant and equipment	27	15	13	9	—
Dividend received	1	2	19	—	—
Changes in long term receivables	4	(1)	(1)	18	—
Cash flow from investment activities	(2)	(88)	(197)	(88)	(158)
<i>Financing activities</i>					
New share issue	—	—	0	—	—
Loans raised	—	1,700	2,591	—	—
Repayment of loans	(28)	(2,033)	(2,717)	0	(2)

	Year ended December 31,			Nine months ended September 30,	
	2017	2018	2019	2019	2020
	(SEK millions)				
Repayments, leases/finances leases	(63)	(97)	(170)	(125)	(137)
Dividend paid	—	(12)	—	—	—
Cash flow from financing activities	(92)	(442)	(297)	(125)	(139)
Cash flow for the period	(2)	(14)	(8)	(111)	112
Cash and cash equivalents at start of period	424	420	411	411	407
Exchange rate difference in cash and cash equivalents	(2)	5	4	8	(11)
Cash and cash equivalents at end of period	420	411	407	308	507

Note:

(1) Adjustments for items not included in the cash flow aggregates different categories of non-cash items, including depreciation and amortization of tangible and intangible assets, unrealized exchange differences, capitalized interest, expensed arrangement fees in respect of bank loans, shares of profit/loss from partnerships, changes in value of financial instruments, provisions (including pension provisions), changes in doubtful trade receivables, changes in accrued interest, capital gain/loss from fixed assets and other items.

For the years ended December 31, 2018 and 2017, comprised primarily depreciation and amortization of tangible and intangible assets, capitalized interest, expensed arrangement fees in respect of bank loans and pension provisions. For the nine months ended September 30, 2019 and the year ended December 31, 2019, comprised primarily depreciation and amortization of tangible and intangible assets and provisions (including pension provisions). For the nine months ended September 30, 2020, comprised primarily depreciation and amortization of tangible and intangible assets, provisions (including pension provisions) and changes in doubtful trade receivables.

Cash Flow from Operating Activities

Cash inflow from operating activities for the nine months ended September 30, 2020 increased by SEK 307 million from SEK 102 million for the nine months ended September 30, 2019 to SEK 409 million for the nine months ended September 30, 2020, primarily as a result of higher profitability and inflows from changes in working capital. Although the first nine months of the year typically show adverse working capital development, compared to the year-end position, due to seasonal factors (see “—Key Factors Affecting Our Results of Operations—Seasonality”), working capital requirements were positively impacted by improved invoicing practices.

Cash inflow from operating activities for the year ended December 31, 2019 decreased by SEK 31 million, or 6.0%, from SEK 516 million for the year ended December 31, 2018 to SEK 485 million for the year ended December 31, 2019. Higher profitability in 2019 was more than offset by changes in working capital. The net cash inflow in 2018 due to changes in working capital was positively impacted by significant management efforts to improve incentives for decreasing working capital requirements at branch level and overall improved invoicing practices in 2018, while 2019 did not feature the same level of working capital release.

Cash inflow from operating activities for the year ended December 31, 2018 increased significantly by SEK 424 million, from SEK 92 million for the year ended December 31, 2017 to SEK 516 million for the year ended December 31, 2018, primarily as a result of higher profitability and inflows from changes in working capital. Net cash flow from changes in working capital reversed from a net outflow of SEK 140 million (comprising a decrease in inventory of SEK 8 million, an increase in operating receivables of SEK 269 million and a decrease in operating liabilities of SEK 401 million) in the year ended December 31, 2017, as Skanska Installation benefitted from large prepayments prior to the completion of our acquisition of this business, which did not recur in 2018, to a net cash inflow of SEK 116 million (comprising an increase in inventory of SEK 11 million, a decrease in operating receivables of SEK 90 million and an increase in operating liabilities of SEK 195 million) in the year ended December 31, 2018, which was the result of management efforts to improve incentives for decreasing working capital requirements at branch level and overall improved invoicing practices in 2018.

Cash Flow from Investment Activities

Cash outflow from investing activities for the nine months ended September 30, 2020 increased by SEK 70 million, from an outflow of SEK 88 million for the nine months ended September 30, 2019 to an outflow of SEK 158 million for the nine months ended September 30, 2020, primarily as a result of increased acquisition activity in 2020, with cash outflows related to acquisition of subsidiaries increasing from SEK 103 million to SEK 152 million period-on-period, reflecting our accelerated mergers and acquisition strategy.

Cash outflow from investing activities for the year ended December 31, 2019 increased by SEK 109 million, from an outflow of SEK 88 million for the year ended December 31, 2018 to an outflow of SEK 197 million for the year ended December 31, 2019, primarily as a result of increased acquisition activity in 2019, with cash outflows related to acquisition of subsidiaries increasing from SEK 63 million to SEK 211 million period-on-period, reflecting our accelerated mergers and acquisition strategy.

Cash outflow from investing activities for the year ended December 31, 2018 increased by SEK 86 million, from an outflow of SEK 2 million for the year ended December 31, 2017 to an outflow of SEK 88 million for the year ended December 31, 2018, primarily due to acquisitions and purchases of vehicle fleet as we built out our servicing capabilities.

Cash Flow from Financing Activities

Cash outflow from financing activities for the nine months ended September 30, 2020 and 2019 were SEK 139 million and SEK 125 million, respectively, in each case, the entirety of which (other than SEK 2 million in respect of loan repayments in the nine months ended September 30, 2020) is attributable to repayments of finance leases, increasing due to IFRS 16.

Cash outflow from financing activities for the year ended December 31, 2019 was SEK 297 million, reflecting the refinancing of our then outstanding loan facilities (raising SEK 2,591 million, primarily from the issuance of the Original Notes, and repayments of SEK 2,717 million, including refinancing fees and expenses). Cash outflow from financing activities during this period also reflected SEK 170 million of repayments of finance leases, increasing due to IFRS 16.

Cash outflow from financing activities for the year ended December 31, 2018 was SEK 442 million, as we completed substantial refinancing of our then outstanding loan facilities, raising SEK 1,700 million in new loan proceeds, and with repayments together with refinancing fees and expenses amounting to SEK 2,033 million using new external financing and cash on balance sheet.

Cash outflow from financing activities for the year ended December 31, 2017 was SEK 92 million, which was due to loan repayments and repayments of finance leases related to our car fleet.

Capital Expenditures and Finance Leases

We define Net Capital Expenditures as investments in intangible and tangible fixed assets, less the sales value (cash proceeds) of tangible and intangible fixed assets for the period, and including net leasing expenditures related to vehicles, which primarily relate to our car fleet. See “*Presentation of Financial and Other Information—Presentation of Financial Information—Non-IFRS Measures*” and “*Summary—Summary Combined Financial and Other Information—Operating Data and Non-IFRS Financial Information*.” We define “sales value” to be disposal of property, plant and equipment in the cash flow statement, “investments in intangible fixed assets” to be acquisitions of intangible assets in the cash flow statement and “investments in tangible fixed assets” to be acquisitions of property, plant and equipment in the cash flow statement. Total Net Capital Expenditure amounted to SEK 95 million, SEK 163 million and SEK 120 million in the years ended December 31, 2017, 2018 and 2019, respectively, and SEK 87 million and SEK 51 million in the nine months ended September 30, 2019 and 2020, respectively.

Most of our total Net Capital Expenditures (SEK 85 million, SEK 136 million and SEK 116 million for the fiscal years ended December 31, 2017, 2018 and 2019, respectively, SEK 84 million and SEK 45 million for the nine months ended September 30, 2019 and 2020, respectively) is related to our vehicle leases, which we finance using finance lease facilities with local banks. Excluding capital expenditures related to vehicle leases, our operations require very limited capital expenditure, primarily comprising expenditures on tools, refurbishment and IT. Net Capital Expenditures before vehicle leases amounted to SEK 9 million, SEK 27 million and SEK 4 million in the years ended December 31, 2017, 2018 and 2019, respectively, and SEK 3 million and SEK 6 million in the nine months ended September 30, 2019 and 2020, respectively.

Working Capital Requirements

We do not currently have significant short-term or long-term working capital requirements, because we typically receive payments under our installation contracts prior to paying costs related thereto. These prepayment

arrangements, along with personnel-related costs (primarily vacation salary), result in our negative working capital position for installation projects. In our services contracts, Net Working Capital requirements are generally positive, as these rely less on subcontractors and materials purchased, and feature higher costs related to our own personnel. Customer invoices are typically not drawn until work has been completed.

Our working capital requirements are also seasonal. See “—Key Factors Affecting Our Results of Operations—Seasonality.”

Interest-bearing Liabilities

The table below sets forth our interest-bearing liabilities as of the dates indicated:

	As of September 30, 2020 (SEK millions)
<i>Non-current liabilities</i>	
Bond loans	2,640
Remeasurement of loan	—
Value of derivatives	15
Bank borrowings	—
Capitalized funding costs	(42)
Other interest-bearing external liabilities	1
Shareholder loans	—
Finance lease liabilities/Lease liabilities	567
Total non-current liabilities	3,181
<i>Current liabilities</i>	
Bank borrowings	—
Short-term interest-bearing liabilities	1
Finance lease liabilities/Lease liabilities	186
Total	3,367

Pensions obligations

Some of our white-collar employees in Sweden are covered by a defined benefit pension plan, which is accounted for in accordance with IAS 19 under which we are required to provide agreed benefits to current and former employees. Other employees have pensions that are recognized as defined-contribution.

As of December 31, 2019, approximately 30% of our employees had defined benefit pensions. Of these, the Swedish plan for electricity white-collar employees is recognized as defined-benefit for purposes of our financial statements, and is unfunded and based on final salary, which provides employees with benefits in the form of a guaranteed level of pension disbursements over their lifetimes. For the remaining white-collar employees in Sweden the defined-benefit pension obligations are secured through insurance with Alecta. For the financial year ended December 31, 2019, we did not have access to information that would make it possible to recognize this plan as a defined-benefit plan. The pension plan secured through insurance with Alecta is therefore recognized as a defined-contribution plan. Annual fees for pension insurance contracted with Alecta totaled SEK 55.5 million, SEK 51.5 million and SEK 50 million, in the years ended December 31, 2019, 2018 and 2017, respectively. Alecta’s surplus can be allocated to policy holders and/or the insured.

Pension scheme liabilities vary with changes to long-term interest rates, inflation, pensionable salaries and the longevity of scheme members. During the periods under review, liabilities in respect of provisions for pensions increased from SEK 483 million as of December 31, 2017, to SEK 560 million as of December 31, 2018, to SEK 703 million as of December 31, 2019 before decreasing slightly to SEK 690 million as of September 30, 2020, with increases driven primarily by a decline in market interest rates, which resulted in the assumed discount rate for defined-benefit obligations decreasing from 2.57% as of December 31, 2017 to 2.40% as of December 31, 2018 to 1.40% as of December 31, 2019 and 1.38% at September 30, 2019. The increase in liabilities in respect of provisions for pensions also reflects the relatively greater proportion of plan participants that are not eligible for retirement, as compared to the number of former plan participants that have retired.

See Note 8 to the Audited Combined Financial Statements for further information as to our pensions obligations and pensions costs.

In accordance with the requirements of the pension administrator, we are required to provide bank guarantees in respect of a portion of the Group's defined-benefit pensions obligations. We have been required to increase the amount of our current SEK 240 million bank guarantee (incurred under the Pension Guarantee Facility) by SEK 45 million, which additional amount was initially incurred under the Guarantee Facility. We expect to ultimately incur the full SEK 285 million under the Pension Guarantee Facility once we have increased the SEK 240 million of aggregate commitments thereunder by SEK 45 million, as permitted under the terms of the Pension Guarantee Facility Agreement to reflect increased guarantee requirements by the pension administrator (and to cancel the amount initially incurred under the Guarantee Facility). Our obligations with respect to the Pension Guarantee Facility and the Guarantee Facility are secured on the Collateral on a super senior basis to the Original Notes and the Additional Notes. See "*Description of Certain Financing Arrangements—The Super Senior Facilities.*" Availability of the additional guarantee amounts under the Pensions Guarantee Facility or the Guarantee Facility, however, is subject to certain conditions, including compliance with certain financial covenants.

Contractual commitments and contingencies

Our contractual commitments comprise primarily our contractual obligations to perform work invoiced, but not yet completed and warranty commitments, which related to assumed expenditures in the future for rectifying errors and shortcomings regarding concluded projects that arise during the warranty period for the projects. See Notes 24 and 25 to the Audited Combined Financial Statements for further information regarding provisions related to these liabilities. Prior to January 1, 2018 and the adoption of IFRS 16, contractual commitments also included leases classified as operating leases in accordance with IAS 17. See "*Accounting Standards Adopted During the Period.*"

In connection with our operations, we are required to provide a certain number of commitments in terms of performance guarantees for completion of work, guarantees of customer advances and parent company guarantees. As of September 30, 2020, performance guarantees amounted to SEK 464 million, SEK 55 million was provided under the Guarantee Facility, and the remainder of which are provided principally by insurance companies on an unsecured basis as well as commercial banks.

We also have additional variable cash consideration of up to approximately SEK 160 million payable over the next three years in respect of acquisitions undertaken by the Group as of the date hereof.

Risk Management

We are exposed to various types of risks, both operational and financial. Operational risks are associated with day-to-day operations relating to economic activity, tendering, capacity utilization, price risks and revenue recognition. Financial risks arise from the amount of capital tied up and our capital requirements. We believe we are exposed to greater operational risks than financial risks.

Financial Risk Management

In our installation business risks are asymmetric. In any given project, the chances of exceeding the expected outcome during the term of the project are limited while there is a risk of incurring significant losses in relation to the size of the project. The management of operational risks is a continuous process covering a large number of ongoing projects and service assignments. We have designed several methods to ensure that operational risks remain under control. We believe our systematic work on quality and environmental issues as well as occupational health and safety issues are key building blocks that underpin our management systems. Our financial risks are managed centrally for the purpose of minimizing and controlling our risk exposure while credit risks are managed locally at each of our profit centers.

Operational Risks

Economic Activity

Fluctuations in the economy affect the building services sector, which is sensitive to market fluctuations and political decisions that can have an impact on demand for residential and commercial new builds and investments in industry and the public sector. Demand for service and maintenance work is less sensitive to fluctuations in the economy.

Tendering

An installation and service company is exposed to commercial and production-related risks, which need to be identified and managed during the tendering process. To ensure that this is done, we have implemented process descriptions and checklists that are aimed at identifying and pricing the risks in our cost estimates and tenders.

Capacity Utilization

Capacity utilization is heavily dependent on demand in our geographic markets. An unforeseen decline in capacity utilization generally results in a loss of revenue, which in the short term cannot be offset by a corresponding cost reduction. We seek to mitigate these risks through continuous resource planning, including redundancies if order backlog does not support current local staffing levels and by employing subcontractors during periods of peak production.

Price Risks

Unforeseen variations in input prices and prices charged by subcontractors constitute a risk. We seek to offset the risk of rising prices through the use of contract forms that are appropriate for the project, indexation for fixed-price agreements and efficient purchasing procedures.

Insurance

We believe we have adequate insurance coverage for our operations, comprising liability, contract and property insurance.

Internal Controls

Our Board acts as the ultimate source of internal controls. Our Board has delegated to senior management the establishment and implementation of a system of internal controls appropriate to our business. These controls include the safeguarding of assets; the maintenance of proper accounting records; the reliability of financial information; and compliance with appropriate legislation, regulation and best practice.

Our operations are decentralized and governed based on a shared framework, clear allocation of roles and responsibilities and systematic monitoring. Our branch managers are continuously supported and monitored at the regional, business area Group level to ensure appropriate risk managed and improved profitability. This support is carried out by, among other things, project selection controls and project execution controls.

Management and administration are performed at the branch level by our branch-level managers at over 160 of our local branch offices in over 100 locations throughout the Nordic region. Our branch-level managers report to their respective regional manager who in turn reports to the Business Area manager who together with the CEO, CFO and Head of Communication form senior executive management. Each of our branches consists of, and is responsible for, one or more profit centers. We characterize our profit centers as either installation profit centers or service profit centers, based on the predominant operations conducted by the applicable profit center.

In relation to project selection, tenders are approved based on project size, assuming standard contractual terms. Projects under €1 million can be approved directly by the branch office, with projects between €1 million to €2 million and €2 million to €5 million required to be approved at the region and business area level, respectively. Projects between €5 million to €10 million must be approved at the Group level and contracts over €10 million are required to be approved by our Board. With respect to project execution, branches are supported by an established system of financial, internal and management controls.

Critical Accounting Estimates and Judgements

Recognition of revenue over time

The reported earnings in ongoing contract projects are recognized over time on the basis of assignment expenditures incurred in relation to the total estimated assignment fees of the assignment. Costs associated with this are recognized in earnings as they arise. This requires reliable calculation of project revenue and project costs. The precondition is a properly functioning system for cost accounting, forecasting processes and project monitoring. The forecast regarding the project's final outcome is a critical judgement that is material to the operating report over the course of the project. There may be a risk that the final result as regards the project could deviate from what is gradually reported.

Pensions

We have partial defined-benefit pension plans. The pension obligations are calculated using actuarial assumptions, and plan assets are marked to market on the balance-sheet date. A change in any of these assumptions and measurements could have a significant impact on calculated pension commitments and pension cost.

Intangible assets

Impairment testing of goodwill

The recoverable amounts of cash-generating units is based on the assumption of future conditions and estimates of various parameters. Changes in these assumptions and estimates could have an effect on the carrying amount of goodwill. A recession in the rate of growth and operating margin would yield a lower recoverable amount. The reverse applies if the recoverable amount were calculated based on a higher rate of growth or margin. If future cash flows are discounted at a higher interest rate, the recoverable amount would be lower. The reverse would apply if the recoverable amount were to rise in conjunction with discounting at a lower discount rate.

Warranty provisions

Warranty provisions are made for the warranty obligations found in the contract assignments being performed. A warranty expenditure arises in a project when a Group company performs extra work as a result of shortcomings that emerged in the original contract, in work performed or in materials. A warranty reserve is calculated based on the probable costs of correcting the faults that arose in the contract. The scope of the warranty provision is established based on:

- previous experiences in similar projects;
- the anticipated scope of the extra work; and
- the estimated cost.

Onerous leases

When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense in its entirety. An onerous lease is a contract in which the unavoidable costs for meeting the obligations under the contract exceed the anticipated financial benefits. The expected loss is immediately recognized as a cost in its entirety.

INDUSTRY

Overview

The Nordic installation market, which comprises the combined installation markets of Sweden, Norway and Finland, is a highly fragmented market and accounted for 35% of the overall Nordic construction market, at SEK 231 billion aggregate spend in 2019 according to Prognoscentret.

The installation market can be segmented into two categories: (i) new-build installations and (ii) renovation, maintenance and services of existing installations. Because the Nordic construction market is mature, most of the activity is driven by renovation, maintenance and services of existing installations, rather than new-build.

- **New-build installations** represent about 29% (comprising 13.0% residential and 16.3% non-residential) of the Nordic installation market.

Demand for new-build installation results generally from the demand for new-build construction and has therefore been sensitive historically to macroeconomic factors such as GDP growth, interest rates and real-estate prices among other factors, although with a slight time lag owing to the downstream nature of the activity (installation occurring at the end of the construction process of a building). Although the new construction segment is generally cyclical, significant local and regional variations within different countries influence end-market exposure. It is also worth noting that public sector spendings have historically exhibited less volatility compared to the residential and commercial construction sectors, primarily because government spending in the Nordic region have historically been increased during economic downturns.

Due to disruptions to economic activity caused by COVID-19, new construction activity in the near term is expected to experience some slowdown as projected by Euroconstruct in their report published in November 2020. However, the Group has limited exposure to markets expected to experience the sharpest contraction, such as new residential construction. Moreover, as a leading player with scale and a track record of execution excellence in a fragmented market, the Group is well positioned relative to the small- and medium-sized players to navigate the crisis and to potentially gain market share.

- **Renovation, maintenance and services** represent about 71% (comprising 26.2% service, 24.8% non-residential and 19.6% residential) of the Nordic installation market.

Demand for maintenance has generally shown a higher level of stability compared to new-build and, similar to renovation, is largely driven by the age and composition of the buildings. During economic downturns, customers have a demonstrated preference for renovation and maintenance as opposed to new construction, which has traditionally resulted in countercyclical effects in the renovation and maintenance segment. Expenditures on renovation and maintenance are more flexibly managed and constitute part of a customer's general operating expenses, making them less susceptible to reductions in customer spending and resulting in stable revenue flow for service providers. Moreover, demand for renovation and maintenance is primarily driven by the age and composition of real estate.

The resilience of the renovation market has been highlighted by the COVID-19 pandemic, as the construction market for renovation is expected to sustain stable growth in the near term as projected by Euroconstruct.

The Nordic installation market can also be segmented by activity into: (i) Electrical; (ii) Heating and Sanitation and (iii) Ventilation.

- **Electrical** is one of the largest installation market segments, worth SEK 101 billion, according to Prognoscentret, and accounting for 44% of the overall installation market. Renovation, maintenance and service accounts for 73% of the Electrical segment, with non-residential renovation and maintenance being the largest building type segment. It includes the installation of wiring and fittings, lighting systems, street lighting, electrical signs, airport runway lighting, satellite dishes, alarms, solar energy collectors and connecting of electronic appliances, as well as their maintenance and repair.
- **Heating and Sanitation** accounts for 42% of the Nordic installation market and is worth SEK 98 billion. Renovation, maintenance and service accounts for 72% of the Heating and Sanitation segment, with residential renovation and maintenance being the largest building type segment. It includes the installation of plumbing and heating systems, as well as their maintenance and repair.
- **Ventilation:** Ventilation market is the smallest installation market segment, accounting for 14% of the Nordic installation market. 61% of the Ventilation market is renovation, maintenance and service, with service being the largest segment. It includes the installation of ventilation and air-conditioning systems, as well as their maintenance and repair.

Some activities are regulated, and our technicians and engineers (in particular plumbers and electricians) are required to be certified. This creates staff scarcity in some market segments, in particular in the Electrical and Heating and Sanitation segments. Larger companies such as the Group are perceived as more stable and offering greater career opportunities to staff in the long-term. The Group is therefore well placed to benefit from the barriers to entry stemming from certification requirements.

Market size and outlook

The Nordic renovation and maintenance and service market is expected to exhibit steady growth, even excluding the impact from inflation while some near term headwind is expected in the new-build market.

The following table sets forth the historical and forecast evolution of the size of the various market segments within the Nordic installation market for the years indicated.

	2012	2013	2014	2015	2016	2017	2018	2019	2020F	2021F	2022F	2019A-22F CAGR
	SEK billions ⁽¹⁾											
New-build	57	56	56	57	62	70	72	68	69	58	61	(3.7%)
Renovation and maintenance ...	86	87	89	93	93	95	96	103	103	104	105	0.9%
Service	53	53	55	57	57	58	59	61	58	62	63	1.5%

Source: Prognoscentret.

Note:

(1) Market data excludes inflation.

The acquisition of Fidelix increases our exposure to the rapidly growing building automation markets of building management systems (“BMS”) and individual metering and debiting (“IMD”). These end-markets have grown above the rest of the installation market and are expected to continue to do so in the medium- to long-term. The factors driving the robust market growth include energy efficiency, sustainability, cloud computing and IoT, tightening regulation, increase in energy prices and focus on indoor climate. Moreover the scope of activities and services for Fidelix is continuously expanding driven by advancements in technology in machine learning, automated diagnostics and smarter building automation systems. These macro drivers also result in a high level of cycle resilience as was seen during the financial crisis of 2008-09 and in the COVID impacted markets of 2020.

Secular growth drivers

Beyond macroeconomic and cycle considerations, several structural growth trends within the Nordic installation market support long-term market growth. These include:

- **Energy efficiency:** Increasing demand for energy efficient systems in buildings, driven by economic, environmental and regulatory pressures, provide significant growth opportunities, wherein installation solutions can be customized to each building to achieve low energy use. Stimulus programs introduced by various national governments and the EU to kick start recovery from the current economic slowdown are expected to help accelerate this trend as a number of these stimulus programs are specifically targeted or focused on the Green agenda. Examples include Sweden’s SEK 9.7 billion proposal for investments in green recovery initiatives in the Budget Bill for 2021, the EU’s €500 billion green stimulus package passed in July 2020, Norway’s May 2020 proposal to spend €360 million to support a greener economy and the EIB’s €150 million in financing for new near-zero-energy buildings and renovation investments to improve energy efficiency of existing buildings in the Helsinki metropolitan area;
- **Growing demand for more advanced technology systems:** Increasingly tech-heavy properties require more advanced technology systems, with a higher demand for IoT, energy efficient systems and security system automatization offering several growth avenues;
- **Increasing pace of urbanization:** Increased inflow of inhabitants in Nordic cities increases the need for new residential buildings and public properties while also placing greater requirements on safer and more efficient and modern premises;
- **Higher degree of digitalization:** Growing digitalization creates new requirements for managing data and allows for the creation of new technical installations to monitor and optimize energy efficiency while also driving greater demand for service due to increased complexity of technical installations and systems;

- **Partnering projects:** New forms of close collaboration between various parties in the construction process increases the importance of coordination of installations while also enabling greater efficiency in the production process and energy usage through multi-tech procurements; and
- **Greater need for renovation in ageing buildings:** A significant portion of the Nordic building stock is of considerable age prompting an upcoming renovation wave for buildings from the 1970s and 1980s and also driven by the potential to reduce energy usage in Sweden through renovations in existing building stock.

Competitive landscape

The Nordic installation market is highly fragmented, and competition is largely focused on a contract by contract basis at a local level. As a result, the Group rarely competes against larger pan-Nordic players such as Bravida, Instalco, Caverion, GK or Kemp & Lauritzen but rather against local small or medium-sized enterprises (“SMEs”), such as ELEffekt, Robmac and Stockholms Elektriska.

However, we believe that customers demand an increasingly broad range of services and expertise from installation services providers, including a single point of contact for delivery of integrated solutions, in order to optimize their procurement process. Many SMEs specialize in a particular activity and regional area but are unable to offer “one-stop shop” solutions. This offers a potential advantage of larger groups and has led to the consolidation of small, local businesses over the years which is a trend we expect will continue.

This is particularly true for larger projects which are generally awarded on price, but also on some qualitative factors such as breadth and depth of services, technical know-how, ability to deliver tailored, state-of-the-art solutions across multiple fields of technology, which tend to play well to the advantage of larger players. Scale itself is a differentiating factor as SMEs are unlikely to have the financial strength to undertake large, lengthy projects.

Moreover, as customers increasingly evaluate the value position of service providers in terms of ongoing performance of installed equipment, technological competence is becoming particularly important. The Group has maintained a clear strategic focus on technologies and digital systems and Fidelix’s technology-driven focus will help solidify the Group’s positioning, particularly in one of the most attractive niches of the installation services market that caters to building automation. As a fully integrated player in this market, Fidelix faces competition from different parts of the value chain. Competitors include large industrial goods players such as Schneider and Siemens which are the only players bigger than Fidelix in its focus markets of Finland and Sweden. However, unlike Schneider and Siemens which are only focused on large projects, Fidelix is able to cover a wider installed base creating upselling and aftermarket sales opportunities, references and expertise across building types and deeper visibility into market outlook. Fidelix has been able to build on this further with its established position, open system and competitive pricing to capture market share as has been consistently seen historically and expected to continue forward.

Local contracts tend to be of smaller size and often awarded based on customer relationships with managers at local branches, in addition to price considerations. It is therefore critical to empower staff locally so that they are incentivized to develop not only customer relationships and intimacy, but also raise brand awareness and maximize talent acquisition. Network density and customer proximity can create cost and service quality leadership which a one-branch competitor would not benefit from.

BUSINESS

Overview

We are one of the Nordic region's leading providers of complete installation and service solutions, with our primary activities focusing on electrical engineering, heating and sanitation, ventilation and automation, as well as key competencies in data and telecom, industrial pipes, district heating, cooling, sprinklers, security and electrical workshop and field services. We hold a strong position in the growing installation market in the Nordic region (comprising Sweden, Norway and Finland), which are estimated at approximately SEK 98 billion, SEK 75 billion and SEK 59 billion, respectively, and have a combined approximate value of SEK 231 billion as of December 31, 2019, and in 2019, we had the second largest share of Sweden's installation market by revenue according to Prognoscentret. Moreover, in December 2020, we entered into a sale and purchase agreement to acquire Fidelix, a technology-driven building automation service company, which is expected to provide us with a market-leading position within the building automation market in the Nordics.

We provide installation and service assignments in various types of properties, industrial facilities and infrastructure projects for a diverse customer base consisting over 20,000 large and small customers, which include construction companies, the public sector, property owners and industrial companies. Our strong relationships with our customers have contributed to an order backlog of SEK 8,245 million and an LTM order intake of SEK 9,859 million, respectively, as of September 30, 2020, and we currently have over 3,000 ongoing projects. We take on primarily two types of assignments: contractor assignments and service assignments. The proportion of contractor assignments and service assignments represented 60% and 40%, respectively, of our net revenue for the twelve months ended September 30, 2020.

Our operations are decentralized and governed based on a shared framework, clear allocation of roles and responsibilities and systematic monitoring. Our current operating organization is divided into five specific business areas: three in Sweden (Assemblin EI, Assemblin VS and Assemblin Ventilation), one in Norway (Assemblin Norway) and one in Finland (Assemblin Finland), comprising over 166 branches across over 100 locations with over 5,800 employees in the Nordic region. We believe that our decentralized business model contributes to the profitability of our operations. This decentralized and entrepreneurial business model allows us to swiftly adjust to a largely variable cost structure and promotes enterprise and accountability at all levels of our structure with the president of each business area being responsible, together with their management groups, for the operations and earnings in their respective business areas.

The following map shows the branch footprint of our business areas, representing the locations in which we operated in the Nordic region as of September 30, 2020.



We have been owned by Triton Partners since 2015, and since then have expanded our geographical presence and volumes through the acquisition of 40 additional companies to date (excluding Fidelix), the largest of which being a carve-out from construction company Skanska, Skanska Installation, acquired in 2016. Our organic and

inorganic growth has made us into a complete installation and service partner, with the strength of a multidisciplinary group and the personal presence of a local company.

In the twelve months ended September 30, 2020, we had total net revenue of SEK 10,133 million, a net profit for the period of SEK 42 million, EBITA of SEK 304 million, Adjusted EBITA of SEK 569 million and Pro Forma Adjusted EBITDA of SEK 851 million. This was supported by our strong order backlog, which stood at SEK 8,245 million as of September 30, 2020.

The table below sets out the net revenue, Adjusted EBITA (and corresponding margin), order backlog, share of service assignments, average number of FTE employees and number of branches for each of our business areas as of and for the twelve months ended September 30, 2020.

	As of and for the twelve months ended September 30, 2020				
	Assemblin EI	Assemblin VS	Assemblin Ventilation	Assemblin Norway	Assemblin Finland
	<i>(SEK millions unless otherwise indicated)</i>				
Net revenue ⁽¹⁾	4,149	2,658	1,350	1,464	605
Adjusted EBITA ⁽²⁾	233	148	78	102	6
Adjusted EBITA Margin ⁽²⁾	5.6%	5.6%	5.8%	7.0%	1.0%
Order backlog	3,102	2,103	1,675	1,132	233
Share of service assignments ⁽³⁾	46%	35%	22%	45%	35%
Average number of employees, FTE	2,809	1,416	556	722	333
Number of branches	61	50	24	15	16

Notes:

(1) Net revenue on a segment basis presented before intragroup eliminations.

(2) Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets), which are categorized as described under “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations.*” Adjusted EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. For more information, see “*Presentation of Financial and Other Data—Non-IFRS Measures.*” For a reconciliation of these non-IFRS measures to IFRS financial information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Nine Months Ended September 30, 2020 Compared with Nine Months Ended September 30, 2019—Adjusted EBITA and margins.*”

(3) In terms of net revenue.

Competitive Strengths

We believe that the following are our key strengths:

Top Nordic player focused on regional leadership

We are a leading provider of complete installation and service solutions in electrical engineering, heating and sanitation, ventilation and automation in the Nordic region. We hold a strong position in the growing installation market in Sweden, Norway and Finland, estimated at approximately SEK 231 billion as of December 31, 2019, and in 2019, we had the second largest share of Sweden’s installation market by revenue according to Prognoscentret. In addition, we believe we hold the number one position in the Oslo heating and sanitation market, and a top 5 position in Finland. Moreover, we expect the acquisition of Fidelix to provide us with a market-leading position within the building automation market in the Nordics.

We are outperforming the market and gaining market share; specifically, in 2019, we held the second largest market share (8.4%) of the estimated SEK 98 billion installation market in Sweden, representing a market share increase of 75 basis points between 2017 and 2019. Our presence in Norway and Finland has also shown strong growth, with our market share (1.6%) of the estimated SEK 75 billion installation market in Norway increasing by 44 basis points between 2017 and 2019, and our market share (1%) of the estimated SEK 59 billion installation market in Finland increasing by 8 basis points over the same period. We have operated through our constituent subsidiaries in our key markets of Sweden, Norway and Finland for more than half a century and have a track record of completing contracts on time and in line with customer specifications, which is underpinned by our commitment to attaining the highest levels of customer satisfaction. We believe that brand

awareness and market reputation are key factors for customers deciding upon a particular installation and services provider and that our established portfolio and track record, therefore, provide us with a significant competitive advantage.

Importantly, we have developed high network density in our chosen markets, including nation-wide Sweden, the greater Oslo area (Norway) and in the Helsinki-Turku-Tampere triangle (Finland), with our footprint tailored to maximize regional leadership in an industry where local scale matters. Our market presence and the scale and geographic reach of our operations give us a clear advantage over our competitors, which in our fragmented market comprise mostly small or medium-sized enterprises. This is particularly the case with respect to contracts for major projects, which typically generate stable revenue streams and cash flows, as we are one of only a small number of companies in our markets with sufficient resources and expertise to be mandated on, and successfully execute, such contracts due to the scale, diversity and quality of our installation and service offering.

Our geographic reach has enabled us to attain significant market positions in the regions where we operate, particularly in Sweden where, in terms of 2017 net revenue, we had nine regions ranked either number one or number two in electrical engineering, ten in heating and sanitation and six in ventilation. Only one of our competitors had more regions ranked higher in these categories than Assemblin in Sweden.

Our Group and local scale provide differentiating competitive advantages. At the Group level, we are able to utilize our procurement expertise to optimize sourcing supplier terms within each business area and leverage on our digital capabilities. In addition, we leverage certain central functions such as finance, legal, communication and our central IT platform. At the local level, our geographic network comprises over 166 branches across over 100 locations in the Nordic region, in close proximity to our customers. In certain locations, our business areas share branch premises allowing for significant cross-selling and cost-reduction opportunities. In addition to being better positioned to win local tenders, our cross-staffing ability between branches allows us to optimize project selection. Further, our local scale has allowed us to build a workforce of over 5,800 employees in the Nordic region with many employees preferring to work for a larger company due to supportive and clear governance, stability, brand awareness and personal development opportunities.

Execution excellence delivered by local branch managers and specialist staff

We believe that our decentralized business model contributes to the profitability of our operations. Our current operating organization is divided into five specific business areas (Assemblin El, Assemblin VS, Assemblin Ventilation, Assemblin Norway and Assemblin Finland), which in turn consist of regions, divisions and branches where local decision making and project execution is undertaken. This decentralized and entrepreneurial business model allows us to swiftly adjust our largely variable cost structure (see “—*Resilient and agile business model*”) and promotes entrepreneurial culture and accountability at all levels of our structure with the president of each business area being responsible, together with their management groups, for the operations and earnings in their respective business areas.

We believe that one of our key strengths is the division of our business by business area instead of by region. The focus on business areas allows our managers and their teams to prioritize their technical areas of expertise, it provides career development opportunities for our talented employees within their respective business lines, as well as it is also an important advantage in the mergers and acquisition context where the typical target company has one technical discipline, allowing the target company to join the appropriate part of our business which focuses on the target’s core strength. For example, we expect the Fidelix Group to be an independent business area within the Group, and Fidelix’s experienced management team will continue to play a critical role in Fidelix’s ongoing operations to help ensure continued success.

Through our decentralized business model, our branch managers are incentivized to create value and lead a specialized and skilled workforce. Specifically, the interplay between specialist staff and strongly incentivized branch managers has led to improved profitability. Our specialist staff are supported by the Assemblin Academy and compulsory web courses to enhance their skillsets. In addition, employees are guided by clear development plans and career ladders, which, in turn, allows us to attract top quality employees. The focus on incentivizing specialist staff through measures such as the Assemblin Academy as well as our staff incentive plan has contributed to industry leading employee satisfaction at Assemblin, underpinning our ability to retain specialist staff. Specifically, in 2019, we achieved an employee net promoter score (“NPS”) of 18, compared to 4 in 2012, which was substantially higher than the industry average of 9. Furthermore, we have an employer reputation score of 3.3 in Sweden, which is the highest among our key competitors.

On the branch manager side, branch managers' decision-making is based on their in-depth local market knowledge and customer relationships supported by a specialized staff allowing branch managers to reduce costs and provide a geared installation and service offering to customers. Branch managers are strongly incentivized on EBITA Margin targets as well as efficient working capital management.

Throughout the COVID-19 pandemic, enhanced monitoring at the branch level has allowed successful management of market and operational challenges stemming from COVID-19 restrictions. We have also experienced successful management of personnel shortfall due to sick leaves during COVID-19 through effective reallocation between assignments, allowing us to continue relying on our specialist staff.

As a result of our investment in specialist staff and incentivizing our branch managers, the proportion of loss-making branches has reduced from 38% for the year ended December 31, 2016 to 19% for the year ended December 31, 2019, and these branches contributed only 14% of our net revenue for the year ended December 31, 2019. The proportion of branches delivering over 7% of EBITA Margin has increased over the same period from 22% to 40%. The table below outlines the split of branches' profitability level by EBITA Margin for the periods indicated, based on management estimates.

	For the year ended December 31,			
	2016	2017	2018	2019
	% of Branches			
EBITA Margin:				
< -3.0%	31	20	17	10
-3.0%-0.0%	7	6	5	9
0.0%-2.5%	17	18	18	16
2.5%-7.0%	24	24	21	25
>7.0%	22	32	39	40

Further, our branch managers' project execution is underpinned by well-established controls which allow us to execute our decentralized business model. Branch managers are continuously supported and monitored at the regional, business area and Group level to ensure appropriate risk management and improved profitability. This support is carried out by, among other things, project selection controls and project execution controls.

In relation to project selection, tenders are approved based on project size, assuming standard contractual terms. Projects under €1 million can be approved directly by the branch office, with projects between €1 million to €2 million and €2 million to €5 million required to be approved at the region and business level, respectively. Projects between €5 million to €10 million must be approved at the Group level and contracts over €10 million are required to be approved by our Board. With respect to project execution, branches are supported by an established system of financial, internal and management controls.

High revenue visibility from project backlog and recurring services

Our ability to sustain profitable operations is underpinned in large part by our strong project backlog and high incidence of recurring services, which together provide high revenue visibility. This high revenue visibility allows us to take a more stringent approach in our margin selection criteria. Our order intake volumes grow our backlog over time. Between September 30, 2018 and September 30, 2020, our order intake increased by 7.1% to SEK 7,252 million for the nine months ended September 30, 2020, compared to SEK 6,774 million during the nine months ended September 30, 2018. Moreover, we experienced our highest annual order intakes to date in the year ended December 31, 2019, reaching SEK 11,258 million (compared to SEK 9,459 million in 2018), which was driven in particular by two large orders: the Stockholm Bypass project from the Swedish Transportation Administration and the new health care building in the Malmö hospital district, which contributed SEK 520 million and SEK 867 million, respectively, to our order intake during that period. Order backlog as of September 30, 2020 was SEK 8,245 million, compared to SEK 6,780 million as of September 30, 2018, and the order intake for 2019 resulted in our reaching our highest annual order intake to date of SEK 8,478 million as of December 31, 2019. Beginning as early as January 1 of every year, our order backlog provides visibility of more than 50% of our annual project revenues (excluding service revenues).

The following table sets out our existing project backlog for the periods indicated.

	Order backlog
	<i>(SEK millions)</i>
Quarter ended:	
September 30, 2018	6,780
December 31, 2018	6,971
March 31, 2019	7,694
June 30, 2019	7,663
September 30, 2019	8,478
December 31, 2019	8,478
March 31, 2020	8,239
June 30, 2020	8,342
September 30, 2020	8,245

We take a consistent approach to order booking and only include signed contracts in our order backlog. Even when new contracts appear highly likely to be awarded as a result of our Integrated Project Delivery (“IPD”) (see “*Business—Competitive Strengths*”) pipeline, we exclude them until they are signed. In addition, the lead time on our backlog projects has been increasingly extended due to capacity constraints, which now requires customers to book projects earlier on. We currently hold a strong pipeline of large, more technical and publicly-funded contracts due to current structural needs for schools, hospitals and transport infrastructures in the Nordic region.

We also benefit from an increasingly high rate of recurring service business and have experienced a meaningful increase in the conversion rate from project assignments, which primarily consist of new installation or the redevelopment of, and adaptations to, technical systems in buildings, plants, to service assignments, which comprise the operation, maintenance, repair, replacement, reconfiguration and monitoring of installations in buildings, plants and infrastructure. For example, the net revenue of our service business increased from SEK 2,922 million in the year ended December 31, 2017 to SEK 3,833 million in the year ended December 31, 2019, representing 35.8% and 38.4% of our total net revenue of SEK 8,169 million and SEK 9,978 million respectively. For the twelve months ended September 30, 2020, the net revenue of our service business was SEK 4,007 million, which represented 39.5% of our net revenue of SEK 10,133 million during this period. This increased service contribution improves our budget accuracy and drives profitable growth, particularly in the case of recurring services, which pose high barriers to entry for our competitors at the contract renewal stage.

We endeavor to maximize client satisfaction and retention by taking a strategic approach to each customer relationship. This approach begins by establishing multiple touch points with the customer and developing a deep understanding of the client’s needs. Next, we offer a state-of-the-art digital platform that allows for continuous performance monitoring and improvement throughout each assignment. Finally, we provide a comprehensive breadth of service offerings and aim for performance beyond customer expectations in order to increase the likelihood of recurring service contracts going forward.

Resilient and agile business model

Our decentralized and entrepreneurial business model allows us to swiftly adjust our largely variable cost structure. Installation is the last part of the typical construction project, with multi-technical service providers having solid predictability of the project pipeline. As a result of our late stage involvement in projects, branch managers are able to identify early signs in the changes of market dynamics and adjust our variable cost base as necessary. Our ability to proactively manage or swiftly react to such changes in market dynamics is supported by our lean and decentralized operational organization of five business areas in three countries, spread across over 166 branches. Approximately 89% of our cost structure during the twelve months ended September 30, 2020 was variable or semi-variable, which provides us with substantial operational flexibility. Additionally, although to date the installation market has proved to be relatively resilient to the COVID-19 pandemic and we believe the underlying drivers for long-term growth remain, we have experienced increased competition due to more uncertain market conditions. In light of this uncertainty, we believe it is beneficial to be a large, stable player with an ability to identify and react quickly to market changes, which we believe our leading market position, strong financial position and decentralized business model allows us to achieve.

Further, branch managers have a diverse end-market exposure with a high share of service assignments and mainly smaller projects. Based on our end-market analysis conducted for our largest business areas, Electrical and Heating & Sanitation, in terms of net revenue, between January 1, 2020 and September 30, 2020, a large part

of our net revenue originated from cycle-resilient end-markets such as healthcare (10%), education & culture (8%), infrastructure (2%) and service assignments (42%). Further, we had limited exposure to the Swedish residential market as approximately 12% of our end-market exposure was attributable to project assignments in the residential market, with new residential builds representing an estimate of less than 5% of our total project revenue. Other limited end-market exposures include business (3%), offices (9%), hospitality (2%), warehouses (2%) and industrial (8%). Our business also has limited dependency on a specific customer or type of contract. According to the Group's management estimates, our top ten customers accounted for approximately 30% of our net revenue for the year ended December 31, 2019. Further, based on net revenue for the year ended December 31, 2019, projects (which includes both installation projects as well as certain service projects subject to percentage of completion accounting) under SEK 50 million, between SEK 50-100 million, over SEK 100 million represented 56%, 5%, 3% of our net revenue, respectively and the remaining 36% being other service assignments.

Following Triton's acquisition of the Group, we have pursued a strategy of low-risk and accretive bolt-on acquisitions in order to expand our business. Specifically, with Triton as our owner, we have grown through the acquisition of 40 additional companies (excluding Fidelix), the largest of which being a carve-out from construction company Skanska, Skanska Installation, acquired in 2016. The rest of our acquisitions comprised companies with an average revenue of approximately SEK 48 million and 25 employees. When completing an acquisition, we anticipate paying a multiple of approximately 4-6 times the target's EBITA, consistent with the multiple for our recent historical acquisitions. For more information, see "*—History.*" We believe that our established track-record of low-risk bolt-on acquisitions in a consolidating market has allowed us to successfully realize synergies and integrate the workforce, and we intend to continue to pursue acquisitions in order to increase our market presence, our service offering and our service capacity.

Established track-record of improving margin and Free Cash Flow generation

Our profit has increased from SEK 22 million in 2017 to SEK 42 million for the twelve months ended September 30, 2020. Our Adjusted EBITA Margin has increased significantly from 3.1% in 2017 to 5.6% in the twelve months ended September 30, 2020. Our ability to address market demand and new customer orders as well as our focus on empowering branch managers and providing fixed services at the Group level have enabled us to improve profitability. We have also started benefitting from the completion of our accelerated profitability program, which we completed at the end of 2019 and was targeted to optimize our branch network, reduce overhead expenditures and improve operational efficiency. Further, we achieved strong Free Cash Flow generation and Cash Conversion between 2017 and the twelve months ended September 30, 2020, as indicated in the table below.

	For the year ended December 31,			For the nine months ended September 30,		For the twelve months ended September 30,
	2017	2018	2019	2019	2020	2020
	(SEK millions, unless otherwise indicated)					
Profit for the year/period	22	143	92	162	112	42
Free Cash Flow ⁽³⁾	93	516	514 ⁽¹⁾⁽²⁾	87 ⁽¹⁾	481 ⁽¹⁾	908 ⁽¹⁾
Cash Conversion ⁽³⁾	28%	106%	85% ⁽¹⁾⁽²⁾	23% ⁽¹⁾⁽²⁾	112% ⁽¹⁾⁽²⁾	138% ⁽¹⁾⁽²⁾

Notes:

(1) Excludes the impact of IFRS 16 on the combined financial information for the periods indicated.

(2) The unaudited financial data as of and for the twelve months ended September 30, 2020 has been derived by subtracting the combined financial information as of and for the nine months ended September 30, 2019 from the combined financial information as of and for the year ended December 31, 2019 and adding the combined financial information as of and for the nine months ended September 30, 2020, and, where indicated, excluding the impact of IFRS 16. The financial information as of and for the twelve months ended September 30, 2020 has been prepared for illustrative purposes only and is not necessarily representative of our results of operations, cash flows or financial position for any future period at any future date, is not prepared in the ordinary course of our financial reporting.

(3) Free Cash Flow and Cash Conversion are non-IFRS measures. We define Free Cash Flow as Adjusted EBITDA, less the sum of Changes in Net Working Capital and Net Capital Expenditures for the period. We define Cash Conversion as Free Cash Flow divided by Adjusted EBITDA. Changes in Net Working Capital is defined as the sum of the increase or decrease in inventories, the increase or decrease in net work in progress, the increase or decrease in total trade receivables, the increase or decrease in reserve for bad debt, the increase or decrease in other receivables, the increase or decrease in trade payables and the increase or decrease in other payables for the relevant period.

See "*Presentation of Financial and Other Information—Presentation of Financial Information—Non-IFRS Measures.*" For a reconciliation of these non-IFRS measures to IFRS financial information, see "*Summary—Summary Combined Financial and Other Information—Operating Data and Non-IFRS Financial Information.*"

Our high cash flow generation has been driven by our capital-lite operations together with efficient working capital management. Our operations require very limited capital expenditure, which primarily comprises tools, refurbishment and IT, with our Net Capital Expenditure representing 0.8% of net revenue for the twelve months ended September 30, 2020. Our service vehicle fleet which is directly linked to the growth of our service operations is being arranged through flexible financial lease arrangements. We have a high focus on working

capital management across the Group and as a result our Net Working Capital has been negative, being negative SEK 173 million, or 2.1% as a percentage of net revenue (SEK 8,169 million) for the year ended December 31, 2017, negative SEK 363 million, or 4.1% as a percentage of net revenue (SEK 8,885 million) for the year ended December 31, 2018, negative SEK 391 million, or 3.9% as a percentage of net revenue (SEK 9,978 million) for the year ended December 31, 2019 and negative SEK 493 million, or 4.9% as a percentage of net revenue (SEK 10,133 million) for the twelve months ended September 30, 2020. For the definition of Net Working Capital, see “*Presentation of Financial and Other Data—Non-IFRS Measures.*” Our ability to generate Free Cash Flow has contributed to our growth and has allowed us to undertake our mergers and acquisition strategy and achieve deleveraging, including since the issuance of the Original Notes as demonstrated by the decrease in our ratio of total net debt to pro forma Adjusted EBITDA from 4.3x to 3.5x as of September 30, 2020 (without giving pro forma effect to this Offering). We believe that our successful and proven business model, combined with our well-established long-term customer relationships, will enable us to continue to achieve profitable growth and deleverage going forward.

An experienced and established management team

Our management team consists of experienced professionals with strong backgrounds and operational expertise in installation and service solutions and a proven track record of acquiring and integrating new businesses. Our Chief Executive Officer, Mats Johansson, our Chief Financial Officer, Philip Carlson, and our business area chief executive officers have over 20 years of industry experience, on average. Our management team is supported by a highly experienced Board, and we also benefit from the extensive market expertise, business relationships and ongoing strong support of our shareholder, Triton.

Our Strategy

We target to be the best installation company in the Nordic region. To achieve our goals, we intend to pursue the following strategies:

Continue to focus on profitable growth by selectively developing our regional leadership and becoming the most attractive employer in the industry

We are determined to grow our business profitably and sustainably. This means that we will be mindful of winning market shares and new contracts without compromising on profitability.

We believe that we are well positioned to grow our leading local market positions throughout the Nordic region and strong local market positions by continuing to provide high-quality services and support to our customers and employees, and by focusing on our local operations.

We intend to continue to operate a large, decentralized organization, with local branch units operating as individual profit centers. Maintaining a well-established, local presence throughout the Nordic region also provides our customers with a large number of local access points. We intend to continue to leverage our strong customer relationships and local market knowledge to meet our customers’ needs promptly and efficiently, in order to establish ourselves as the provider of choice in the markets in which we operate.

We will enhance growth by targeting attractive local markets and remaining agile and flexible when it comes to our footprint so that capital and human resources are always allocated in the most accretive way. We will also continue to invest in markets where Assemblin is or has the ability to become the largest or second-largest operator so that we can leverage competitively our scale advantages and Group capabilities while strengthening our high customer intimacy.

Our employees are key to maintaining and growing our leading-market positions. We intend to utilize our reputation and intensify our brand awareness to continue to recruit and retain the best talents in the industry and to position ourselves as the employer of choice. We will also keep track and improve the performance of our existing managers and technicians by continuing to develop professional and technical training programs and by assigning our engineers and technicians to a wide range of fields. Strengthening the competence of middle management is paramount and we are achieving, and will continue to do so, through our Group-wide leadership model and an improved new structure process for succession planning. We will finally continue to incentivize our managers and technicians by maintaining a performance-based compensation structure focused on profits and cash generation rather than volume growth.

Continue to focus on absolute margin expansion through operational excellence and economies of scale

Our profitability has substantially improved since Triton invested in Assemblin. However, we believe that there is scope to continue to increase our absolute margin level.

While we differentiate our offering by providing consistent, high-quality installation and technical services and offering a wide range of services to our customers, we are also able to drive cost savings by driving best practices across our Group.

In 2019, we completed our accelerated profitability improvement program targeted to optimize our branch network, reduce overhead expenditures and improve operational efficiency. This program provided us with tangible cost savings in 2019, and we intend to consolidate and build on the improvements achieved so far.

Additionally, to continue to improve our margins and cash flow, we intend to continue focusing on project selection and execution to allow us to operate more efficiently and profitably in the short-term while reducing project risk in the long-term. Over time, we are also gaining a better understanding of key success factors and best practices by analyzing the operational data and profitability metrics on a project by project basis. We achieve this by measuring branch profitability and by creating a corporate culture where profitability is rewarded over volume. Execution-wise, we have a clear project governance scheme so that the right resources are allocated to each project while the adequate communication channels will relay relevant information across the Group.

Continue to focus on recurring revenues

We believe that the diversity of our customers and our contract portfolio across our operating segments result in strong, recurring revenues, which help us withstand negative business cycles in any single aspect of our business. We intend to increase our share of recurring projects with all of our customers by continuing to focus increasing our maintenance service revenues. We intend to extend this strategy to the companies we acquire, including Fidelix, whose strong track record of double-digit margins and large and growing installed base further supports profitability through its aftermarket and cloud businesses.

We also plan to maintain a balance between our installation and services businesses and to continue to capitalize on our ability to provide add-on maintenance services following the completion of our installation projects as those tend to be recurring and more predictable by nature.

Pursue an accretive bolt-on acquisition growth strategy focused on the right cultural fit with our business

The Nordic installation market is highly fragmented and represents a compelling opportunity to grow our business while generating cost synergies and enhancing price discipline in the market.

We continually evaluate opportunities to acquire and integrate other installation and technical services providers in the Nordic region in order to strengthen our local competitive position, broaden the range of our offering and increase our presence in our existing markets. We believe we have significant experience in identifying, executing and integrating acquisitions while remaining focused on our existing business. We also believe the acquisition of Fidelix will provide us with a platform for further acquisition-led growth, especially given Fidelix's track-record of successful bolt-on acquisitions.

Our focus on technical disciplines allows us to better approach likely targets and provide a compelling view of a common future. We intend to continue to grow through strategic bolt-on acquisitions but we will prioritize targets where a good cultural fit with our business which limits integration risk and improves staff retention that is crucial considering the local, relationship-driven nature of our activity.

Accelerate the digitalization of our business in order to find solutions that increase customer benefit and internal efficiency, in line with the secular trends we observe in our industry

We take an active part in the digital transformation of the building and installation industry. Buildings are increasingly connected and involve smart, interconnected and automated technical systems. This represents a substantial growth opportunity for our business that we strive to take advantage of. In particular, the acquisition of Fidelix brings additional digitalization capabilities across the Group, which we expect to be a driver as we focus on the next-generation of installation across all of our business areas.

Digitalization, however, does not only underpin our long-term growth profile, it is also an opportunity to connect construction sites to better inform decision-making and foster a closer collaboration across our teams but also with the various parties which we collaborate with on a construction site.

Each of our business areas has dedicated digitalization managers mapping local initiatives and driving local digitalization efforts. Our central steering group involves members from all business areas and prioritizes initiatives according to Assemblin's digital agenda. Our key successes have historically been on our market leading expertise in Building Information Modelling ("BIM") where Assemblin has around 16 years of experience. This type of modelling is currently used both in large and small projects, improves clarity to all stakeholders throughout the project lifecycle, and makes it easier to achieve project and business goals. Other digital tools we have developed includes Assemblin eManageri which is a smart platform helping property managers and owners to monitor and manage energy efficiency in properties.

Continue to leverage "Sustainability" initiatives

As energy prices rise and concerns over climate change increase, local, regional and national authorities, corporates and the public are increasingly demanding socially responsible energy consumption. We believe that we are well positioned to take advantage of growth in the "green economy." The energy consumption of a building is significantly influenced by the design of its electrical, heating and plumbing, and HVAC systems. As a leading Nordic installer and service provider of those systems, we are able to support customers seeking to optimize energy utilization in both new and existing buildings. We also offer energy efficiency solutions for different types of power distribution. We aim at increasing our revenues attributable to the "green economy" by further developing innovative installation and service offerings in the area of energy efficiency. We also believe that Fidelix will be accretive to us in this respect given that its technology-driven building automation services serve to optimize building performance both from a cost and environmental perspective, while providing the building users with a healthier indoor environment.

History

In 2016, following the acquisition by Triton, we changed our name to Assemblin. Imtech Nordic was in turn the result of acquisitions of a number of leading companies in Nordics with strong reputations in their respective technical disciplines often spanning decades:

- Our Electrical business area dates back to 1931, when Närke's Elektriska, NEA was founded in Örebro. NEA eventually expanded nationwide in Sweden and became a leading actor in electrical installations.
- Our Heating and Sanitation business area's and Norway business area's history stretches back to NVS originally founded in 1903 which became one of the leading heating and sanitation actors in the Nordic region, with over 90 offices in Sweden, Norway and Finland.
- Our Ventilation business area has its roots mainly in Sydtotal, a company founded by industry veterans in Malmö in 1999 offering ventilation as a total concept.

With Triton as our owner, we have subsequently grown through the acquisition of 38 additional companies (excluding Fidelix), the largest of which being a carve-out from construction company Skanska, Skanska Installation, acquired in 2016. In 2020 and the start of 2021, these acquisitions included businesses with estimated aggregated annual revenues of SEK 696 million, strengthening our footprint across each of our business areas. In addition, in December 2020 we entered into a sale and purchase agreement to acquire Fidelix, a technology-driven building automation service company, which is expected to provide us with a market-leading position within the building automation market in the Nordics. See "*Summary—Fidelix—Overview of Fidelix Business.*"

Our organic and inorganic growth has made us into a complete installation and service partner, with the strength of a multidisciplinary group and the personal presence of a local company.

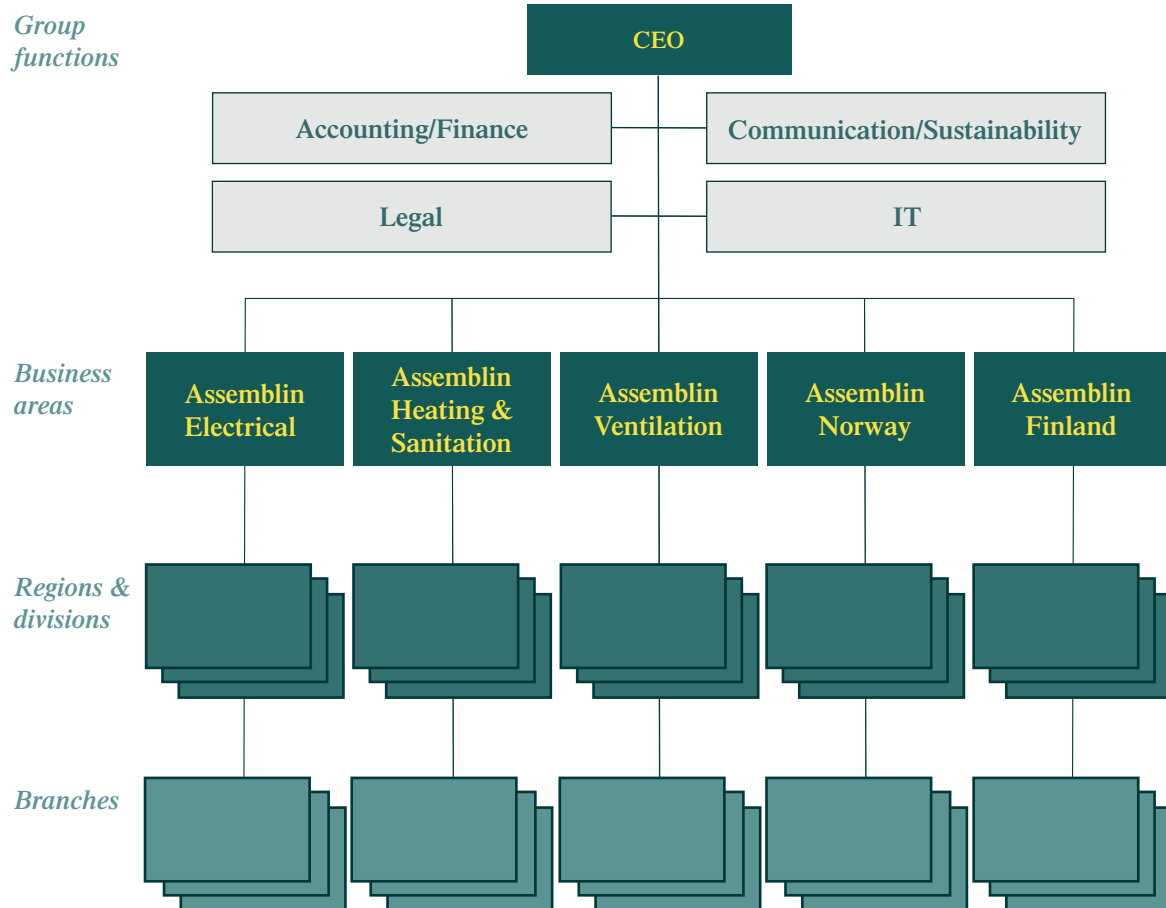
Group Structure

We conduct our business through a number of subsidiaries. For more information on our corporate structure, see "*Summary—Corporate Structure and Certain Financing Arrangements.*"

Description of our Operations

Our operations are decentralized and currently divided into five specific business areas: three in Sweden (Assemblin EI, Assemblin VS and Assemblin Ventilation), one in Norway (Assemblin Norway) and one in Finland (Assemblin Finland), comprising over 166 branches across over 100 locations in the Nordic region. We expect the Fidelix Group to be an independent business area within the Group.

Our operating organization is depicted in the graphic below.



The business areas are further divided into a number of regions, divisions and branches, with the local branches being responsible for earnings, personnel, sales and customer relationships. The local branches are further supported regionally by the business areas as well as of the Group level, with functions such as finance, legal, communication and the Group's IT platform, which has been modernized over the last few years.

We believe that our decentralized business model contributes to the profitability of our operations. This decentralized and entrepreneurial business model allows us to swiftly adjust to a largely variable cost structure and promotes enterprise and accountability at all levels of our structure with each of the business areas' business presidents being responsible, together with their management groups, for the operations and earnings in their respective business areas. For more information on the benefits of our decentralized business model, see "*Competitive Strengths—Execution excellence delivered by local branch managers and specialist staff*" and "*Competitive Strengths—Resilient and agile business model*."

Business Areas

Assemblin EI

Operations

Assemblin EI, our largest business area and one of Sweden's leading electrical installation providers, has an offering that includes electrical engineering and electrical service for all types of installations. The business area also operates in real estate and industrial automation as well as refurbishment of electric motors and generators. Assemblin EI is located in approximately 70 towns, organized into 61 branches across Sweden, with the head

office located in Stockholm. This business area is particularly strong in the western and southern parts of Sweden with improving performance in the Stockholm area. For the twelve months ended September 30, 2020, the operations had an average of 2,809 FTE employees.

For the twelve months ended September 30, 2020, Assemblin EI represented 41% of the Group's share of net revenue and 41% of the Group's share of Adjusted EBITA, respectively. During the same period, the proportion of contractor assignments and service assignments represented 54% and 46% of Assemblin EI's net revenue, respectively.

The table below sets out Assemblin EI's net revenue, Adjusted EBITA, Adjusted EBITA Margin, order backlog, share of service assignments, average number of FTE employees and number of branches as of and for the twelve months ended September 30, 2020.

	As of and for the twelve months ended September 30, 2020
	<i>(SEK millions unless otherwise indicated)</i>
Net revenue ⁽¹⁾	4,149
Adjusted EBITA ⁽²⁾	233
Adjusted EBITA Margin ⁽²⁾	5.6%
Order backlog	3,102
Share of service assignments ⁽³⁾	46%
Average number of employees, FTE	2,809
Number of branches	61

Notes:

(1) Net revenue on a segment basis presented before intragroup eliminations.

(2) Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets), which are categorized as described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations." Adjusted EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. For more information, see "Presentation of Financial and Other Data—Non-IFRS Measures."

(3) In terms of net revenue.

Projects and Customers

Assemblin EI has a diverse customer base. The largest customer groups are construction companies, property owners, energy companies, municipalities and county councils. Over the last few years, Assemblin EI has built up cutting-edge competence in industry, hospitals and public baths. Large customers include Peab, Skanska, NCC, Serneke and Region Östergötland. Assemblin EI's major ongoing projects, include, among others, parts of the urban renewal in Kiruna (on behalf of Näiden Bygg), the terminal project at Landvetter airport and the renovation and new construction in the Älvsborg Psychiatric Clinic (on behalf of Västfastigheter and others).

Assemblin EI's major service assignments include Karolinska, Astra, Forsmark and Ringhals, FMV, Sandvik, SCA and Volvo.

Assemblin VS

Operations

Assemblin VS, one of the leading heating and sanitation providers in Sweden, specializes in planning, installation and maintenance of technical systems for heating and sanitation, as well as sprinklers, industrial piping and district heating in offices, arenas, cultural buildings, shopping centers, homes, hospital and industries. The operations are concentrated in more than 50 towns and spread across 50 branches in Sweden, headquartered in Stockholm. This business area is particularly strong in the western part of Sweden. For the twelve months ended September 30, 2020, the operations had an average of 1,416 FTE employees.

In the twelve months ended September 30, 2020, Assemblin VS represented 26% of the Group's share of net revenue and 26% of the Group's share of Adjusted EBITA, respectively. During the same period, the proportion of contractor assignments and service assignments represented 65% and 35% of Assemblin VS's net revenue, respectively.

The table below sets out Assemblin VS's net revenue, Adjusted EBITA, Adjusted EBITA Margin, order backlog, share of service assignments, average number of FTE employees and number of branches as of and for the twelve months ended September 30, 2020.

	As of and for the twelve months ended September 30, 2020
	<i>(SEK millions unless otherwise indicated)</i>
Net revenue ⁽¹⁾	2,658
Adjusted EBITA ⁽²⁾	148
Adjusted EBITA Margin ⁽²⁾	5.6%
Order backlog	2,103
Share of service assignments ⁽³⁾	35%
Average number of employees, FTE	1,416
Number of branches	50

Notes:

- (1) Net revenue on a segment basis presented before intragroup eliminations.
- (2) Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets), which are categorized as described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations." Adjusted EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. For more information, see "Presentation of Financial and Other Data—Non-IFRS Measures."
- (3) In terms of net revenue.

Projects and Customers

Assemblin VS performs installation and service assignments in all types of environments from nuclear power plants, biogas facilities and other industrial facilities to hospitals, schools, shopping centers, arenas, offices and residences. The largest customer groups are construction companies and county councils/municipalities, and Assemblin VS also has customers that are commercial and private property owners, industrial companies, tenant housing associations and private individuals.

Assemblin VS is currently engaged in numerous small and medium-sized service and project assignments. Assemblin VS's ongoing larger projects include new medical care building in Malmö's hospital district (on behalf of Skanska), a new production facility for Scania Södertälje (on behalf of Skanska), the new main office for Geely in Gothenburg (on behalf of Bra Bygg) and city blocks 7, 8 and 9 in the new Kiruna town center (on behalf of Nåiden Bygg).

Assemblin Ventilation

Operations

Assemblin Ventilation focuses on the installation, service and maintenance of ventilation and cooling systems, providing complete solutions in these technology areas. This business area also has niche expertise in construction, complete with a workshop for rectangular ventilation drum production. Assemblin Ventilation acts as a total service provider with in-house design, utilizing state-of-the-art design tools, including computer-aided designs ("CAD") which links to Assemblin Ventilation's project management system, CAMvent, allowing Assemblin Ventilation to provide maximum quality and cost efficiency for its customers. Assemblin Ventilation's operations are conducted in more than 20 locations, across 24 branches, nationwide. This business area is particularly strong in the southern part of Sweden. For the twelve months ended September 30, 2020, the operations had an average of 556 FTE employees.

In the twelve months ended September 30, 2020, Assemblin Ventilation represented 13% of the Group's share of net revenue and 14% of the Group's share of Adjusted EBITA, respectively. During the same period, the proportion of contractor assignments and service assignments represented 78% and 22% of Assemblin Ventilation's net revenue, respectively.

The table below sets out Assemblin Ventilation's net revenue, Adjusted EBITA, Adjusted EBITA Margin, order backlog, share of service assignments, average number of FTE employees and number of branches as of and for the twelve months ended September 30, 2020.

	As of and for the twelve months ended September 30, 2020
	<i>(SEK millions unless otherwise indicated)</i>
Net revenue ⁽¹⁾	1,350
Adjusted EBITA ⁽²⁾	78
Adjusted EBITA Margin ⁽²⁾	5.8%
Order backlog	1,675
Share of service assignments ⁽³⁾	22%
Average number of employees, FTE	556
Number of branches	24

Notes:

(1) Net revenue on a segment basis presented before intragroup eliminations.

(2) Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets), which are categorized as described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations." Adjusted EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. For more information, see "Presentation of Financial and Other Data—Non-IFRS Measures."

(3) In terms of net revenue.

Projects and Customers

Assemblin Ventilation performs assignments primarily in commercial premises, hospitals, and universities and colleges. The largest customer groups in its contractor projects are construction companies and public operations. The recent increased public investments have positively impacted the project profile of Assemblin Ventilation through an increased share of hospital projects, including the assignment at the new medical care building in Malmö's hospital district (on behalf of Skanska), tunnel construction in the Stockholm Bypass project (on behalf of the Swedish Transport Administration), parts of the Kiruna urban renewal project (on behalf of Näiden Bygg) and the ESS research facility outside Lund (on behalf of Skanska).

Assemblin Norway

Operations

Assemblin Norway is a leading Norwegian installation company, in particular in the greater Oslo area and Svalbard, offering heating, sanitation, electricity and ventilation installation and maintenance spread across 15 branches in Norway. For the twelve months ended September 30, 2020, the operations had an average of 722 FTE employees.

In the twelve months ended September 30, 2020, Assemblin Norway represented 14% of the Group's share of net revenue and 18% of the Group's share of Adjusted EBITA, respectively. During the same period, the proportion of contractor assignments and service assignments represented 55% and 45% of Assemblin Norway's net revenue, respectively.

The table below sets out Assemblin Norway's net revenue, Adjusted EBITA, Adjusted EBITA Margin, order backlog, share of service assignments, average number of FTE employees and number of branches as of and for the twelve months ended September 30, 2020.

	As of and for the twelve months ended September 30, 2020
	<i>(SEK millions unless otherwise indicated)</i>
Net revenue ⁽¹⁾	1,464
Adjusted EBITA ⁽²⁾	102
Adjusted EBITA Margin ⁽²⁾	7.0%
Order backlog	1,132
Share of service assignments ⁽³⁾	45%
Average number of employees, FTE	722
Number of branches	15

Notes:

(1) Net revenue on a segment basis presented before intragroup eliminations.

(2) Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets), which are categorized as described under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations." Adjusted EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. For more information, see "Presentation of Financial and Other Data—Non-IFRS Measures."

(3) In terms of net revenue.

Projects and Customers

Assemblin Norway's customer base includes both larger and smaller customers. The largest customers include Skanska, AF-Gruppen, Bermingrud Entreprenør, Strøm Gundersen and Veidekke. The largest ongoing projects are a commercial property at Ruseløkkveien 26 (on behalf of Veidekke) and the hospital in Vestfold county (on behalf of Skanska), followed by the national emergency center for the Norwegian Police and an office project at Universitetsgatan 2 (both on behalf of Skanska) and the M17 housing project (on behalf of Veidekke). Approximately 80%, 18% and 2% of Assemblin Norway's projects comprised heating and sanitation, electrical and ventilation, respectively.

Assemblin Norway's key service assignment customers include Avinor, Skedsmo Municipality, Försvarsbygg and Undervisningsbygg Oslo KF.

Assemblin Finland

Operations

Assemblin Finland specializes in electricity, ventilation, heating and sanitation, and has particular strength in automation and energy efficiency. The operations are concentrated to Helsinki, Turku, and Tampere as well as some smaller operations in northern Finland representing 16 branches. For the twelve months ended September 30, 2020, the operations had an average of 333 FTE employees.

In the twelve months ended September 30, 2020, Assemblin Finland represented 6% of the Group's share of net revenue and 1% of the Group's share of Adjusted EBITA, respectively. During the same period, the proportion of contractor assignments and service assignments represented 65% and 35% of Assemblin Finland's net revenue, respectively.

The table below sets out Assemblin Finland's net revenue, Adjusted EBITA, Adjusted EBITA Margin, order backlog, share of service assignments, average number of FTE employees and number of branches as of and for the twelve months ended September 30, 2020.

	As of and for the twelve months ended September 30, 2020
	<i>(SEK millions unless otherwise indicated)</i>
Net revenue ⁽¹⁾	605
Adjusted EBITA ⁽²⁾	6
Adjusted EBITA Margin ⁽²⁾	1.0%
Order backlog	233
Share of service assignments ⁽³⁾	35%
Average number of employees, FTE	333
Number of branches	16

Notes:

- (1) Net revenue on a segment basis presented before intragroup eliminations.
- (2) Adjusted EBITA and Adjusted EBITA Margin are non-IFRS measures. We define Adjusted EBITA as EBITA adjusted for items affecting comparability (including impairment of rights-of-use assets), which are categorized as described under “*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Items Affecting Comparability of Results of Operations.*” Adjusted EBITA on a segment basis also excludes the impact of IFRS 16 on the combined financial information as of and for the year ended December 31, 2019 and the nine months ended September 30, 2019 and 2020 and is presented before intragroup eliminations. We define EBITA as profit for the year/period excluding tax, net financial items and amortization of intangible assets. We define Adjusted EBITA Margin as Adjusted EBITA divided by net revenue for the period, expressed as a percentage. For more information, see “*Presentation of Financial and Other Data—Non-IFRS Measures.*”
- (3) In terms of net revenue.

Projects and Customers

Assemblin Finland has highly developed operations in both project and service assignments. The largest customers are construction companies, pension companies and major property owners. The operation's largest customers are NCC, YIT, Agnico Eagle Finland, the City of Helsinki and the Seafarers' Pension Fund. The largest ongoing projects in 2020 include Rovaniemi Airport, the Alliansprojekt in Turku (together with the Seafarers' Pension Fund) and the new Flamingo shopping center. Approximately 57%, 19% and 25% of Assemblin Finland's projects comprised electrical, heating and sanitation and ventilation, respectively.

Installation and Service Technology Offering

We provide complete installation and service solutions, with our primary activities focusing on electrical engineering, heating and sanitation and ventilation and automation, as well as key competencies in data and telecom, industrial pipes, district heating, cooling and sprinklers. Our strong presence in both the installation and service markets enables us to cross-sell our offering to our customers in each of these business areas. Our installation business consists of the new installation or the redevelopment of, and adaptations to, technical systems in buildings, plants and infrastructure. Our service business consists of the operation, maintenance, repair, replacement, reconfiguration and monitoring of installations in buildings, plants and infrastructure.

- **Electrical:** Our electrical installation and service solutions include all types of electrical installations for the supply of lighting, heating and energy, including the installation and servicing of electrical infrastructure in buildings and industrial facilities. Our capabilities range from low current to high voltage. In addition, we have expertise with both, modern fiber technology or traditional copper cable and can also develop integration solutions with our clients' security technology or automation systems.
- **Heating and sanitation:** we perform heating and sanitation installation and maintenance, including district heating, heat pumps, industrial pipes and sprinkler installations.
- **Ventilation:** Our ventilation installation and service include ventilation and cooling systems for air handling, air conditioning and climate control. In addition, we our capabilities extend to in-house design, utilizing state-of-the-art design tools.
- **Automation:** Our automation service includes real estate and industrial automation as well as comprehensive solutions that are specifically tailored to customer needs.

Our Customer Base and Customer Contracts

Our Customer Base

We have a diversified group of customers who value our high technical competence, ability to conclude projects according to plan, strong local presence and documented experience with specific building types. Our customers range from multi-regional companies to small businesses and property owners and comprise a variety of industries.

- **Multi-regional construction companies:** The Nordic construction market is dominated by several large, multi-regional companies which tend to have complete responsibility over large project deliveries and use installers such as Assemblin as subcontractors. We primarily conduct project assignments for these types of companies. Examples of our customers include PEAB, NCC, Serneke and Skanska.
- **Local construction companies:** We also work closely with local construction companies in a subcontracting role, primarily focusing our work on project assignments. In the local construction market, strong relationships are essential to maintaining customers and partnerships.
- **Public institutions:** Many of our local customers are public institutions, which require strict specifications and a public procurement process. Our work for public institutions includes both project and service assignments. Examples of our customers include the Stockholm County Council, Akademiska Hus, Region Östergötland and Skellefteå Kommun.
- **Large real-estate developers and property owners:** We work with large real-estate developers and property owners who have strong real-estate and construction knowledge. We conduct both project and service assignments in this market. Examples of our customers include Kungsleden, Ikano, Riksbyggen and Centrum Fastigheter.
- **Industrial and energy companies:** Industrial and energy companies are highly knowledgeable about their own products and production processes, but they have less experience in project management. These companies primarily purchase service assignments, but we complete some project assignments as well. Examples of our customers include BillerudKorsnäs AB, Sandvik and Skellefteå Kraft.
- **Small businesses and property owners:** Small businesses and property owners purchase both service and project assignments, but they do so with less frequency than our larger customers. As a result, the decision process related to our assignments often takes longer.

We have a relative limited exposure to large customers as for year ended December 31, 2019, management estimates that our ten largest customers together accounted for approximately 30% of our net revenue. Generally, our project base tends to consist of smaller-scale projects.

Tender Process and Pricing

We obtain most projects through competitive bidding. The process for obtaining business differs with respect to installation projects, on the one hand, and service assignments, on the other hand. The tender process for installation projects typically involves substantial preparation work, calculations, planning and negotiations with the potential customer. Depending on the size of the potential project, a tender process can last from a few days to more than a year.

By contrast, our service projects are typically based on framework agreements or ongoing relationships. Prior involvement usually offers competitive advantages.

Pricing for installation and service projects takes place primarily at the local branch level, with larger projects requiring approval from the Group or the Board. Factors that we typically take into account when pricing installation projects and service assignments may include: (i) the purchase price of materials; (ii) wages and hourly billing of project managers and employees; (iii) subcontractor costs; (iv) price differentiation for volume, geography or competence; (v) the fixed price of subscription agreements (in the service sector); and/or (vi) pricing adjustments relating to the economic cycle and general pricing adjustments.

Customer Contracts and Framework Agreements

Our customer contracts in the installation business area consist of construction contracts in which the purchaser is responsible for the overall project and the design while we are responsible for only the installation, as well as “turnkey” projects. Where the purchaser remains responsible for design of a project, we act as subcontractor and

enter into standard subcontracting arrangements. By contrast, in “turnkey” projects where we act as a main contractor with principal responsibility for the design and execution of a project, our contracts will contain general terms that will allocate different responsibilities between us and the customer. Customer agreements service include individual service agreements for a fixed period, long-term framework agreements (typically without agreed volumes) and oral agreements (in daily operations).

Additionally, we typically provide to our customers warranty and support service coverage in each of the countries where we operate. A standard warranty period for customer agreements for installation projects is five years on materials and workmanship from the date of acceptance and approval by the customer. Where applicable, the parties may sometimes agree on longer guarantee periods for special equipment. We often negotiate extension clauses in our supply agreements that provide a warranty period of up to 66 months (in other terms, five and one-half years) where a purchase is made for an installation project. This ensures adequate back-to-back coverage during the standard warranty period.

A growing trend is IPD (or Partnering) contract models that have allowed us to be involved at earlier stages in the project and ensure a more flexible pricing model to allow for changes during the course of the project and a common interest in sharing risks and opportunities as they arise. These projects are often larger, more long-term projects and typically, for which we are reimbursed. During this phase we agree the design parameters and pricing in detail together with the customer before the construction contract is signed. The pricing is typically flexible against a total target price with lower margins if the price exceeded and higher margins if the price is held or better.

Order Intake and Order Backlog

Order intake represents the value of projects received during any relevant period, plus changes to existing projects made during that period. We measure our order backlog by business area as of a single date by calculating the anticipated net revenues from signed and binding contractual commitments existing on that date less amounts net revenue earned on those commitments up to that date. We have experienced a steady year-on-year increase in order intake and order backlog in most of our business areas as a result of an increase in the frequency of higher-profile and more-complex installation projects. Our strong relationships with our customers have contributed to an order backlog SEK 8,245 million and a LTM order intake of SEK 9,859 million, respectively, as of September 30, 2020.

The table below sets out the order backlog and order intake for each of our business areas as of and for the twelve months ended September 30, 2020.

	As of and for the twelve months ended September 30, 2020				
	Assemblin El	Assemblin VS	Assemblin Ventilation	Assemblin Norway	Assemblin Finland
	<i>(SEK millions unless otherwise indicated)</i>				
Order backlog	3,102	2,103	1,675	1,132	233
Order intake	4,237	2,619	1,111	1,342	550

The largest single contract in our order backlog is Bypass Stockholm worth SEK 520 million where we will be providing the ventilation solutions for a major tunnel project in Stockholm. The production of the project is planned to 2020-2024. The project is a fixed price project but is subject to indexation and consists mainly of material and subcontracted work where we have secured back to back agreements to minimize risk to our calculated margins. In addition, we have four contracts for work on the Malmö Hospital to be produced 2019 to 2024, of which two are conducted through joint-ventures. The current collective value of our joint ventures' share of these contracts within Electrical, Heating and Sanitation, as well as our contracts within Ventilation, is SEK 1,099 million.

Supply and Procurement

We continuously monitor our supplier base in order to ensure diversification, quality, and risk minimization. Consistent with our objective of providing our customers with competitive prices, we seek to continuously decrease our total cost of materials while increasing our competitiveness with new suppliers, new purchasing channels and new products or solutions. To do so, we engage a two-layered procurement process combining the central functions of each business area with the individual decision-making of local branches.

Our supplier base

We have a diversified and high-quality supplier base, which allows us to avoid dependency on any single supplier. For the year ended December 31, 2019, raw materials and consumables amounted to SEK 3,404 million, or 35% of our total operating expenses of SEK 9,726 million. Our top supplier accounted for only 9% of our purchases from larger suppliers for the year ending December 31, 2019, while our top ten and top twenty suppliers accounted for 33% and 42%, respectively.

We mitigate the risks associated with the availability of materials and cost inflation by ensuring supplier diversification and utilizing an inflation pass-through mechanism. With regard to materials, we select multiple material suppliers to avoid temporary shortages and postponement in our installation work. Additionally, where we can, we pass through the cost of inflation to our customers. We monitor material prices on a continuous basis, and changes in prices are passed through to our customers on a short notice via our pricing manuals (for services and small projects) while our multi-year contracts include index clauses.

Our supplier base includes high-quality original equipment manufacturers (OEMs) and wholesalers. The largest part of our procurement process involves direct material purchases from selected framework agreement suppliers. Our key manufacturers and distributors are mapped in order to control for benefits and risks; we require all suppliers to follow our Code of Conduct and subject them to routine evaluations. Examples of our wholesale suppliers include Ahlsell, Dahl, Rexel and Elektroskandia, and our OEM suppliers include Fagerhult, Schneider Electric, Lindab and Siemens. Additionally, we make indirect purchases which include vehicles, fuel and work uniforms.

Our material procurement process

We have a centralized procurement process that provides high quality products with low costs and good availability. From a broad perspective, the top management of the Group sets our Code of Conduct, which guides all procurement-related activities. At a more functional level, our material procurement comprises two key players: the central functions within each business area secure favorable terms with suppliers, and then local branch managers act as the ultimate decision makers. The centralized procurement function in each business area enables scale benefits and high-quality materials, while branch level procurement through our digital platforms secures availability and cost efficiency.

Each business area has its own procurement function which governs and supports branch level procurement while also negotiating framework agreements with suppliers. The procurement function is responsible for signing, monitoring and reviewing framework agreements. Supplier assessment involves the evaluation of a range of factors including delivery capacity, warranties, product responsibilities, and prices. The procurement function within each business area also designates certain supplies as “Assemblin Best Choice” by collaborating with suppliers and operations to develop and evaluate new materials and products. We aim to offer the highest quality materials and products at a low cost with good availability to customers. In doing so, we limit our “Assemblin Best Choice” designation to only those suppliers who comply with relevant laws and requirements, as well as the requirements set out in our Code of Conduct.

The actual procurement of materials is then done locally by branch or project managers, who are also responsible for hiring subcontractors for certain tasks, such as insulation work. A high percentage of our procurement is done via our digital procurement system, which provides an opportunity to select equivalent materials at a lower cost. We make continuous efforts across the Group to increase the share of digital procurement and to reduce our number of cash and carry orders.

Sustainability

We believe that a responsible long-term sustainable approach is a precondition for stable, profitable growth over time. This emphasis on sustainability means that we must be prudent with the resources we use in our operations, and that we must account for the impacts created by our service and installation activities. In doing so, we can thus generate value for customers, employees and owners, as well as for society as a whole.

Our central sustainability committee reports directly to Group management and is tasked with monitoring legislation, following up on shared sustainability initiatives, channeling and disseminating good ideas and preparing documentation for decisions by our management. Additionally, the committee analyses semi-annual reporting data from each business area in order to address key sustainability figures and develop proposals that are prioritized by our management.

Based on our operations, we have identified a number of key sustainability topics, which are categorized from a stakeholder perspective.

Sustainability as an employer

We believe that committed, satisfied employees produce better results. Therefore, we have identified three sustainability initiatives designed to further our role as a responsible employer that offers stimulating assignments in a positive, safe and non-discriminating work environment: (i) Development and training; (ii) Health and safety; and (iii) Human rights, diversity and equality.

Sustainability as a supplier

We seek to create value for our customers by providing innovative, sustainable installations that improve building functionality and make people feel comfortable. In our role as a supplier, we have developed three sustainability initiatives intended to strengthen our relationship with customers: (i) Safe, efficient methods; (ii) Innovative, customized and energy-efficient solutions; and (iii) Sourcing and supplier management.

Sustainability as investment

We intend to be an attractive investment object that delivers stable and profitable growth with controlled risk. Our goal is to produce a strong yield through stable financial development, with measured risks and a sound approach grounded in business ethics. This requires the use of sound accounting policies and external auditors, as well as routine reporting of business and sustainability issues to our owners. Finally, we emphasize the values in our Code of Conduct to all employees, and we hold our suppliers to similarly high standards of conduct.

Sustainability initiatives in the Community

We intend to be a positive member of the community that conducts sustainable long-term operations with minimal negative impact on the environment and society. In this capacity, we seek to promote healthy citizens, create job opportunities and tax revenue and inspire local community involvement, while minimizing the environmental impact of our operations.

Sustainability as a Corporate Citizen

We intend to be a positive member of the community that conducts sustainable long-term operations with minimal negative impact on the environment and society. In this capacity, we seek to promote healthy citizens, create job opportunities and tax revenue and inspire local community involvement, while minimizing the environmental impact of our operations.

Human Resources and Personnel

Employees

As of September 30, 2020, we had approximately 5,800 employees located throughout Sweden, Norway and Finland. The average number of FTE employees for the twelve months ended September 30, 2020 and the years ended December 31, 2019, 2018 and 2017 was 5,860, 5,901, 5,630 and 5,639, respectively. Our employees are divided between group, business area, regional and branch level, with the vast majority being employed at branch level. When a particular project requires skills outside our technical fields, we employ subcontractors.

Our employees are supported through measures such as the Assemblin Academy as well as our staff incentive plan, which have contributed to industry leading employee satisfaction at Assemblin, underpinning our ability to retain specialist staff. Specifically, in 2019, we achieved an employee net promoter score of 18, which was substantially higher than the industry average of 9. Our employer reputation in Sweden is also higher than our competitors.

The following table sets out our NPS score for the periods indicated, along with the industry average score:

	<u>2012</u>	<u>2015</u>	<u>2018</u>	<u>Industry average</u>
NPS	4	(7)	18	9

Labor Relations and Pension Issues

Our employees are covered by either a defined contribution pension plan or a benefit pension plan. For more information, see *“Risk Factors—Risks Related to Our Business and Industry—We may be required to make further contributions to our pension schemes if the value of pension fund assets is not sufficient to cover potential obligations and Management’s Discussion and Analysis of Financial Condition and Results of Operations.”*

We are bound by various collective bargaining agreements in each of the countries in which we operate. We consider our relationship with our employees to be good.

Information Technology

Over the last few years, we have modernized our IT environment to support its decentralized organization. At the Group level, there is a central IT function that, in close collaboration with the business area IT functions, is responsible for the necessary coordination as well as developing and administering the shared systems. The development projects completed in 2018 included implementation of a new data warehouse and BI system, development of a new contract database and roll-out of Office 365. In addition, we communicate with our employees through an intranet system that is supported by a mobile application.

Insurance

Our Group-wide insurance coverage includes policies for risks associated with our business, including general liability, contract and property, directors’ and officers’ liability, as well as automobile, buildings and contents and workers’ compensation policies. We believe that our insurance coverage is consistent with or above industry standards.

Litigation

We provide a complex range of services to a large number of customers. As such, in the ordinary course of business, we are subject to various administrative, legal and/or regulatory proceedings. On the basis of current information, we do not expect that the actual claims, lawsuits and other proceedings to which we are subject, or potential claims, lawsuits and other proceedings relating to matters of which we are aware, will ultimately have a material adverse effect on our results of operations, financial condition or liquidity. We note, however, that the outcome of legal proceedings is extremely difficult to predict with certainty, and we offer no assurance in this regard.

MANAGEMENT

Board of the Issuer

The Issuer is a public limited liability company organized under the laws of Sweden and is indirectly controlled by investment funds advised by Triton Partners.

The board of the Issuer (the “Issuer Board”) comprises six directors. The Issuer Board is responsible for managing the operations of the Issuer in accordance with applicable laws, constitutional documents and resolutions of the shareholders’ meeting. The principal functions of the Issuer Board are to carry out the business of the Issuer and to legally represent the Issuer in its dealings with third parties. The executive address of our directors is Assemblin Holding AB, Västberga Allé 1, 126 30 Hägersten, Sweden.

The following table sets forth the name, age and positions of the members of the Issuer Board, as of September 30, 2020.

Name	Age	Position
Matts Wäppling	64	Chairman of the Board
Susanne Ekblom	54	Board member
Leif Gustafsson	53	Board member
Mats Jönsson	63	Board member
Young Kim	35	Board member
Anders Thulin	57	Board member

Mats Wäppling (registered in Sweden as Matts Wäppling) has been a director and Chairman of the Board of the Issuer since 2017. Mr. Wäppling also currently serves as Chairman of the Board of PKM Investand Vectura AB. Additionally, he is a current board member of Vesper, Campus X and Pontus Lönnström Motorsport AB.

Previously, Mr. Wäppling served as President and CEO of Sweco from 2007 to 2012. Prior to that, he worked as Vice President at NCC after many years at Skanska, where he finished his career as Vice President. Mr. Wäppling holds a master of science degree in Engineering from the KTH Royal Institute of Technology.

Susanne Ekblom has been a director of the Issuer since 2019, and currently serves as the Head of the Audit Committee. Ms. Ekblom has served as the President and CEO at Vectura Fastigheter AB since 2015. Previously, she served as CFO at Investor AB from 2011 to 2015 and at Sveriges Television AB (SVT) from 2006 to 2011. She also currently serves as a Board member of AP7, Susanne Ekblom AB, Elinder & Sten Arkitekter AB and BRF Stallmästaren nr 16. Susanne started her career at Scania where she held a number of controlling and business development roles including administrative director for Dynamate, Scania’s in-house installation business. Susanne holds a BA in Business and Administration from Stockholm University.

Leif Gustafsson has been a director of the Issuer since 2017. Mr. Gustafsson also currently serves as and as a Board member of European Rental Association (ERA). Previously, Mr. Gustafsson served as CEO of Stena Recycling International from 2012-2016 and as President of Stena Recycling AB from 2008-2012. Prior to that, he served as President of YIT Sverige from 2003-2008 and as Division Manager at ABB from 1999-2003. Mr. Gustafsson is educated as a construction engineer and marketing economist from IHM business school.

Mats Jönsson has been a director of the Issuer since 2017. Mr. Jönsson also currently serves as Chairman of the Board of Tengbom and Lekolar, and as a Board member of Coor Service Management, Bonava AB and NCC. Previously, he served as CEO of Coor Service Management from 2004 to 2013. Prior to that he filled several key positions at Skanska, including President of Skanska Services. Mr. Jönsson holds a master of science degree in Engineering from the KTH Royal Institute of Technology.

Young Kim has been a director of the Issuer since 2015. Ms. Kim also currently serves as an Investment Professional at Triton Partners and as a Board member of Aleris. Previously, she has held positions at Credit Suisse and Stella Capital Advisors. Ms. Kim holds a Master of Science degree in Engineering Physics from the KTH Royal Institute of Technology.

Anders Thulin has been a director of the Issuer since 2017. Mr. Thulin also currently serves as Head of Triton Digital Practice and as a Board member of Ramudden AB, Chevron Traffic Management and Sunweb Group. Previously, he served as Senior Vice President and CIO at Ericsson, as well as Senior Partner at McKinsey

Mr. Thulin holds a master in economics and business administration from the Stockholm School of Economics, including MBA studies at the Western University, Ivey Business School, Canada. Management.

Executive Management Team

Our Group is managed by an executive management team. The current executive management team consists of nine key members, each of whom oversees a specific aspect of our business. The following table sets forth the name, age and positions of the current members of our executive management team as of September 30, 2020.

Name	Age	Position
Mats Johansson	53	Chief Executive Officer
Philip Carlsson	42	Chief Financial Officer
Åsbor Brynnel	54	Head of Communications and Sustainability
Fredrik Allthin	50	President of Assemblin EL
Andreas Aristiadis	42	President of Assemblin VS
Håkan Ekvall	54	President of Assemblin Ventilation
Torkil Skancke-Hansen	51	President of Assemblin Norway
Magnus Eriksson	49	President of Assemblin Finland

Mats Johansson has been the Chief Executive Officer since 2018. Mr. Johansson has many years of experience in the construction and real estate sector, both nationally and internationally. Previously, he worked within the Skanska Group from 1994 to 2018, most recently as Chief Operating Officer at Skanska USA Building Construction. Mr. Johansson holds a Master of Science degree in engineering from the KTH Royal Institute of Technology, as well a certificate from the Stanford Executive Program (US).

Philip Carlsson has been the Chief Financial Officer since 2017. Previously, Mr. Carlsson served as Chief Financial Officer at Coromatic and as Director of Ernst & Young Transaction Service (Stockholm and London). Prior to that, he served as Auditor at Previsor Revisionsbyrå. Mr. Carlsson holds a master of science in Business Administration from Uppsala University, as well as a finance degree from Emlyon Business School.

Åsbor Brynnel has been the Head of Communications and Sustainability since 2017. Previously, Ms. Brynnel served as Communications and Sustainability Director at Coor Service Management from 2005 to 2017 and as Head of Communications at Drott/Fabege from 2001 to 2005. Prior to that, she acted as Senior Consultant Strategic Communications at Askus from 1997 to 2001. Ms. Brynnel holds a degree in Business Administration and Economics from Mid Sweden University.

Fredrik Allthin has been President of Assemblin EL since 2016. Mr. Allthin also currently serves as a Deputy Member of Installatörsföretagen. Previously, he served as Regional Manager, deputy Chief Executive Officer, and Chief Executive Officer of Imtech Elteknik (2013 to 2015) and NEA (1998 to 2013). Mr. Allthin holds a bachelor of science in Engineering and Economics, with graduate education in Management and Contract Law.

Andreas Aristiadis has been President of Assemblin VS since 2017. Mr. Aristiadis also currently serves as a Board Member of Installatörsföretagen. Previously, he acted as Regional Manager and as deputy President of Assemblin VS from 2015 to 2017. Prior to that, he also held various executive roles at NVS (2001 to 2013) and Imtech VS-teknik (2013 to 2015). Mr. Aristiadis is an experienced HVAC engineer.

Håkan Ekvall has been President of Assemblin Ventilation since 2013. Previously, Mr. Ekvall served as President of Imtech Ventilation from 2013 to 2015. In 2000, he co-founded Sydtotal AB, where he served as Head of Business Development from 2011 to 2013. Mr. Ekvall is an experienced HVAC engineer with training in Control and Regulator Technology, Fire Prevention and Contract Law.

Torkil Skancke-Hansen has been President of Assemblin Norway since 2009. Mr. Skancke-Hansen has served in various positions at Assemblin (and Assemblin's predecessors—Drammens rør, NVS and Imtech) since 1996. He holds an engineering degree in Machinery/HVAC from Ingenjörshögskola, as well as a bachelor's degree from Ekonomisk Högskola. Mr. Skancke-Hansen is also a trained plumber and has earned a trade certificate.

Magnus Eriksson has been President of Assemblin Finland since 2017. Previously, he acted as Financial Manager at Consti Talotekniikka Oy from 2011 to 2017 and as Chief Financial Officer at Datacenter Finland Oy from 2010 to 2011. Prior to that, he served as Accounting Manager at ELFA Elektroniikka Oy from 2005 to 2010. Mr. Eriksson holds a bachelor's degree in Economics.

Executive Compensation

We currently maintain an executive compensation program in order to:

- recruit and retain key leaders;
- link compensation to an executive's individual performance and our financial performance; and
- align the executives' compensation opportunities with our short-term and long-term financial objectives.

In furtherance of these objectives, we have designed an executive compensation package that includes (i) fixed compensation in the form of base salary and benefits and (ii) variable compensation based on the executive's performance and our financial performance, in the form of annual cash bonus awards and, in some cases, equity incentive awards.

PRINCIPAL SHAREHOLDERS

The Issuer

Midco holds all the outstanding equity interests of the Issuer. In turn, Triton Fund IV, an investment funds advised by Triton Partners indirectly controls approximately 80.0% of the outstanding share capital of Midco, while members of our management indirectly control approximately 20.0% of the outstanding share capital of Midco.

Triton

Founded in 1997, Triton is a private equity investment firm in the German-speaking and Nordic regions with 12 offices including Jersey, London, Frankfurt, Stockholm, Luxembourg and Shanghai. Its investment philosophy is focused around building better businesses and producing superior investment returns based on operational improvement and “buy and build” value-creation strategies. Triton has more than €14 billion of committed capital across its funds and seeks to invest in market-leading companies with strong long-term prospects in its core sectors of industrial manufacturing, business services and consumer/health services.

Triton’s business services team invests in a range of businesses from multidisciplinary installation services, food logistics and storage providers to shipping companies. Since 2002, Triton has made 27 investments in the business services sector totaling approximately €2.6 billion. In 2013, Triton established its Triton Fund IV with investors committing a total of €2.9 billion to the fund. Assemblin was acquired through Triton Fund IV in November 2015.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

We enter into transactions with certain related parties or our affiliates (as defined in the U.S. Securities Act) from time to time and in the ordinary course of our business. All such related party transactions to date have been approved or ratified by our Board of Directors. Set forth below is a list of certain of our material related party transactions.

Certain Financing Arrangements

In November 2018, we repaid amounts owing under our then outstanding shareholder loans. See Note 31 to the Audited Combined Financial Statements.

On December 6, 2019, the Issuer acquired all shares in Assemblin Holding AB from Midco for SEK 5,081 million. The Issuer, as consideration for the purchase price, issued two promissory notes to Midco, one in the amount of SEK 992 million (“Promissory Note 1”) and one in the amount of SEK 4,089 million (“Promissory Note 2”). Promissory Note 1 was repaid in full on December 6, 2019 with parts of the proceeds of the Original Notes and together with Promissory Note 1, the “Promissory Notes”). The principal amount under Promissory Note 2 was contributed as equity in the Issuer by Midco by way of an equity contribution (*Sw. aktieägartillskott*).

Purchases of Goods and/or Services

Reimbursement for services and expenditures totaling SEK 6 million was paid to West Park Management Services Ltd. (an entity owned by Triton) in the year ended December 31, 2019.

Reimbursement for services and expenditures totaling SEK 6.1 million was paid to West Park Management Services Ltd. and Triton Advisers Ltd. (both of which entities are owned by Triton) in each of the nine months ended September 30, 2019 and 2020, respectively.

DESCRIPTION OF CERTAIN FINANCING ARRANGEMENTS

The following summary of certain provisions of the documents listed below governing certain of our indebtedness does not purport to be complete and is subject to, and qualified in its entirety by reference to, the underlying documents. Unless otherwise defined in this offering memorandum or unless the context otherwise requires, terms defined in the Facilities Agreements and the Intercreditor Agreement shall have the same meanings when used in this section.

The Super Senior Facilities

Overview and structure

On December 2, 2019, the Issuer entered into a SEK 650 million “super senior” revolving credit and guarantee facilities agreement (the “Revolving Credit and Guarantee Facilities Agreement,” and the revolving credit facility thereunder shall be referred to as the “Revolving Credit Facility” and the guarantee facility thereunder shall be referred to as the “Guarantee Facility,” and the Revolving Credit Facility and the Guarantee Facility shall jointly be referred to as the “Revolving Credit and Guarantee Facilities”) with, among others, Deutsche Bank AG, London Branch and Nordea Bank Abp, filial i Sverige, as mandated lead arrangers (together the “RCF Mandated Lead Arrangers”) and Deutsche Bank AG, London Branch and Nordea Bank Abp, filial i Sverige as original lenders (together the “RCF Original Lenders”), and Nordea Bank Abp, filial i Sverige as agent (the “RCF Agent”) and Deutsche Bank AG, London Branch as security agent (the “Security Agent”); and

On December 2, 2019, the Issuer entered into a SEK 240 million “super super senior” pension guarantee facility agreement (“Pension Guarantee Facility Agreement” and together with the Revolving Credit and Guarantee Facilities Agreement, the “Facilities Agreements,” and the facility under the Pension Guarantee Facility Agreement shall be referred to as the “Pension Guarantee Facility,” and together with the Revolving Credit and Guarantee Facilities, the “Super Senior Facilities”) with, among others, Nordea Bank Abp, filial i Sverige as mandated lead arranger (together with the RCF Mandated Lead Arrangers, the “Mandated Lead Arrangers”) and Nordea Bank Abp, filial i Sverige as original lender (together the “Guarantee Original Lenders” and together with the RCF Original Lenders, the “Original Lenders”), and Nordea Bank Abp, filial i Sverige as agent (the “Pension Guarantee Facility Agent” and together with the RCF Agent, the “Agents”) and the Security Agent as security agent.

The Revolving Credit and Guarantee Facilities Agreement, subject to the possibility to incur “additional revolving facilities” and “additional guarantee facilities” (see “—Additional Facilities”), provides for borrowings up to an aggregate initial principal amount of SEK 450 million and guarantees up to an aggregate principal amount of SEK 200 million on a committed basis.

The Issuer intends to increase the size of the Revolving Credit Facility commitments by SEK 190 million on the Completion Date through the provision of an additional revolving facility and additional facility commitments thereunder (see “—Additional Facilities”). The existing guarantees and security granted under the Revolving Credit and Guarantee Facilities Agreement would extend to cover such increase, subject to the guarantee limitations set forth therein. The effectiveness of a portion of the increase in the size of the Revolving Credit Facility (SEK 73 million) is subject to the completion of the Fidelix Acquisition.

The Pension Guarantee Facility Agreement provides for guarantees up to an aggregate initial principal amount of SEK 240 million on a committed basis, subject to incurrence of “additional pension guarantee facilities” under the Pension Guarantee Facility Agreement (see “—Additional Facilities”).

The:

- (a) Revolving Credit Facility may be utilized by any current or future borrower (subject to certain exceptions) under the Revolving Credit Facility in Swedish krona or certain other currencies by the drawing of cash advances or, subject to the appointment of an issuing bank, the issue of bank guarantees and documentary credits (including letters of credit and performance bonds) and by way of ancillary facilities;
- (b) Guarantee Facility may be utilized by any current or future borrower (subject to certain exceptions) under the Guarantee Facility in Swedish krona or certain other currencies by the issue of, subject to the appointment of an issuing bank, letters of credits, bank guarantees and by way of ancillary facilities by way of guarantee facilities; and
- (c) Pension Guarantee Facility may be utilized by any current or future borrower (subject to certain exceptions) under the Pension Guarantee Facility in Swedish krona by the issue of, subject to the appointment of an

issuing bank, bank guarantees and by way of ancillary facilities by way of pension guarantee facilities. The Pension Guarantee Facility is intended to provide a guarantee required by the Swedish pensions regulatory authorities in respect of a portion of the Group's defined-benefit pensions obligations.

Subject to certain exceptions, loans and guarantees may be borrowed, repaid and re-borrowed at any time.

Borrowings under the Revolving Credit Facility are available to finance or refinance the general corporate purposes and/or working capital requirements of the Issuer and its restricted subsidiaries (the "Restricted Group") including, without limitation, to refinance and/or repay existing revolving credit and receivables financing arrangements of the Group (including factoring, securitization and other receivables financings) and/or the financing and/or refinancing of (i) capital expenditure and related costs and expenses, (ii) acquisitions, investments, joint ventures and related costs and expenses, (iii) operational restructurings and reorganizations of the Restricted Group and related costs and expenses (iv) payments (including to be made to the vendors) in respect of working capital related adjustments relating to or in connection with any acquisition (including acquisitions), (v) payments of refundable VAT on any fees, costs or expenses related to or incurred in connection with the finance documents for the Notes and the Revolving Credit Facility or any acquisition (including the Corporate Reorganization) and any original issue discount, fees, flex and/or other related financing costs and/or (vi) interest payments due in respect of the Notes.

Amount utilized under the Guarantee Facility were initially required to be applied by the Issuer and its Restricted Group towards the issuance of bank guarantees guaranteeing operational liabilities only, and not to any financial liabilities. Further to a consent and amendment request granted by the RCF Agent (on behalf of the majority lenders) on December 21, 2020, the bank guarantees under the Guarantee Facility may now also extend to guarantee pension liabilities of the Group, but not any other financial liabilities and only to the extent Försäkringsbolaget PRI Pensionsgaranti, ömsesidigt is the beneficiary of such guarantee.

Amount utilized under the Pension Guarantee Facility shall be applied to provide a guarantee required by the pension administrator in respect of a portion of the Group's defined-benefit pensions obligations.

In accordance with the requirements of the pension administrator, we have been required to increase the amount of our current SEK 240 million bank guarantee (incurred under the Pension Guarantee Facility) by SEK 45 million. Further to the grant of the consent and amendment request, we have initially incurred this additional amount of SEK 45 million under the Guarantee Facility. We expect to ultimately incur the full SEK 285 million under the Pension Guarantee Facility once we have increased the SEK 240 million of aggregate commitments thereunder by SEK 45 million, as permitted under the terms of the Pension Guarantee Facility Agreement (and to cancel the amount initially incurred under the Guarantee Facility) (see "*Additional Facilities*").

Interest Rate and Fees

Interest rates

The interest rate on cash advances under the Revolving Credit Facility is the rate per annum equal to the aggregate of the applicable margin and STIBOR in relation to cash advances in Swedish krona or, in relation to cash advances in euro, EURIBOR, in relation to cash advances in Norwegian kroner, NIBOR, in relation to cash advances in Danish krona, CIBOR, and in relation to cash advances in any other currency, LIBOR (each with a zero floor). The initial margin under the Revolving Credit Facility was 3.25%. In September 2020, the margin on the Revolving Credit Facility was reduced to 3% pursuant to the terms of the Revolving Credit Facility Agreement, which provides for a reduction in margin if certain "senior secured net leverage ratios" (which are calculated in the same way as the "Consolidated Senior Secured Net Leverage Ratio" under and as defined in the Indenture for the Notes (see "*Description of the Notes—Certain Definitions*") are met.

The interest rate on utilizations under the Guarantee Facility is 1.75% per annum.

The interest rate on utilizations under the Pension Guarantee Facility is 1.50% per annum.

Commitment fees

A commitment fee is payable on the aggregate undrawn and uncanceled amount of the Revolving Credit Facility from (and including) November 29, 2019 to (and including) the last day of the availability period for the Revolving Credit Facility at a rate of 35% of the then applicable margin for the Revolving Credit Facility. The

commitment fee is payable quarterly in arrear, on the last day of the availability period of the Revolving Credit Facility and on the date the Revolving Credit Facility is cancelled in full or on the date on which a lender cancels its commitment.

A commitment fee is payable on the aggregate undrawn and uncanceled amount of the Guarantee Facility from (and including) November 29, 2019 to (and including) the last day of the availability period for the Guarantee Facility at a rate of 0.875% per annum. The commitment fee is payable quarterly in arrear, on the last day of the availability period of the Guarantee Facility and on the date the Guarantee Facility is cancelled in full or on the date on which a lender cancels its commitment.

A commitment fee is payable on the aggregate undrawn and uncanceled amount of the Pension Guarantee Facility from (and including) November 29, 2019 to (and including) the last day of the availability period for the Pension Guarantee Facility at a rate of 0.750% per annum. The commitment fee is payable quarterly in arrear, on the last day of the availability period of the Pension Guarantee Facility and on the date the Pension Guarantee Facility is cancelled in full or on the date on which a lender cancels its commitment.

Default interest is calculated as an additional 1% on the overdue amount.

Other fees

The Issuer is also required to pay customary agency fees to the agent and the security agent in connection with the Super Senior Facilities.

Any letter of credit or bank guarantee (not issued as an ancillary facility) under any of the Facilities Agreements shall be subject to such fees as may be agreed between the Company and the applicable issuing bank.

Availability

Each Facility may, subject to satisfaction of customary conditions precedent, be utilized until the date falling one month prior to the maturity date of the relevant Facility.

Maturity and Repayment Requirements

Each Facility matures on the date falling five years after November 29, 2019.

Each advance under the Revolving Credit Facility will be repaid on the last day of the interest period relating thereto, subject to a netting mechanism against amounts to be drawn on such date.

All outstanding amounts under a Facility must be repaid in full on or prior to the maturity date for the relevant Facility.

Amounts repaid by the borrowers on loans made under the Revolving Credit Facility may be re-borrowed during the availability period for that facility, subject to certain conditions.

Prepayment

The Facilities Agreements allow for voluntary prepayments (subject to a minimum amount and notice requirements).

The Facilities Agreements also permit each lender to require the mandatory prepayment of all amounts due to that lender upon:

- (a) a “change of control” (which comprises, generally, (i) Holdco ceasing to directly own legally and beneficially 100% of the issued share capital of the Issuer and (ii) the scenarios set out under the definition of “Change of Control” under the caption “*Description of the Notes—Certain Definitions*”;
- (b) if it becomes unlawful for the lender to perform any of its obligations (as applicable) under the Revolving Credit and Guarantee Facilities or the Pension Guarantee Facility or to fund, issue or maintain its participation in any Utilization (as defined in the applicable Facilities Agreement); or
- (c) a “sanctions event” (which comprises, generally (i) an Obligor is in breach of any of the obligations relating to sanctions in the Facilities Agreements, (ii) a member of the Group becomes a restricted party or violates

sanctions laws or (iii) any event listed under paragraph (i) or (ii) above that would result in a lender under any of the Facilities Agreements or an affiliate of the lenders becoming (A) unable to fund itself or conduct business in any relevant market or (B) exposed to a substantial risk that a lender or an affiliate of a lender would: (1) be in violation of sanctions laws; or (2) become a restricted party, in each case as a result of its performance of, or the transactions contemplated by the finance documents under the Facilities Agreements).

Notwithstanding the foregoing, any ancillary lender or, as the case may be, issuing bank may, as between itself and the relevant member of the Restricted Group, agree to continue to provide such ancillary facility or, as the case may be, letter(s) of credit or bank guarantee(s) (with such arrangements continuing on a bilateral basis and not as part of, or under, the finance documents for any Super Senior Facility and the transaction security for such Super Senior Facility shall not, following release by the Security Agent, secure any such letter(s) of credit, bank guarantee(s) or ancillary facility in respect of any claims that arise after such cancellation).

Additional Facilities

The Revolving Credit and Guarantee Facilities Agreement contemplates the incurrence of uncommitted “additional revolving facilities” and “additional guarantee facilities” in a maximum amount not to exceed the aggregate sum of:

- (a) in respect of the Revolving Credit Facility (i) the greater of (x) SEK 550 million and (y) an amount equal to 80% of consolidated earnings before interest, tax, depreciation and amortization plus certain adjustments, similar to those in Consolidated EBITDA as set out in “*Description of the Notes*,” of the Restricted Group for the most recently ended four full fiscal quarters prior to such incurrence and (ii) less the total Revolving Credit Facility commitment immediately before giving effect to the amount of the additional revolving facility; and
- (b) in respect of the Guarantee Facility (i) the greater of (x) SEK 300 million and (y) an amount equal to 40% of consolidated earnings before interest, tax, depreciation and amortization plus certain adjustments, similar to those in Consolidated EBITDA as set out in “*Description of the Notes*,” of the Restricted Group for the most recently ended four full fiscal quarters prior to such incurrence and (ii) less the total Guarantee Credit Facility commitment immediately before giving effect to the amount of the additional guarantee facility,

plus in each case:

- (c) all permanent prepayments, debt buy-backs and certain other permanent prepayments and/or cancellations of the Revolving Credit and Guarantee Facilities (including any “additional” revolving facilities and or guarantee facilities described herein). Such additional revolving facilities and guarantee facilities may be incurred under the Revolving Credit and Guarantee Facilities Agreement either as a new revolving facility, a new guarantee facility and/or as an additional tranche of any existing revolving facility and/or guarantee facility and/or by increasing the commitments under an existing revolving facility or an existing guarantee facility. Such additional revolving facilities and/or guarantee facilities may be secured or unsecured and may rank either (i) *pari passu* with the Revolving Credit and Guarantee Facilities and be prepaid on a pro rata basis (including with respect to mandatory prepayments) or (ii) subordinated to the Revolving Credit and Guarantee Facilities. The lenders of any such additional revolving facilities and/or guarantee facilities may not have the benefit of guarantees from any member of the Restricted Group which is not a borrower or guarantor of the Revolving Credit and Guarantee Facilities or security over assets other than the then existing transaction security for the Revolving Credit and Guarantee Facilities (except where the same security (to the extent permitted by law) is granted in respect of the other facilities under the Revolving Credit and Guarantee Facilities).

In addition, the Pension Guarantee Facility Agreement allows for the incurrence of “additional pension guarantee facilities” to the extent required by the pension administrator.

The availability, maturity, pricing and other terms of any additional revolving facility, guarantee facility and/or pension guarantee facilities is those agreed between the Issuer and the relevant lenders of that additional facility, *provided that* (i) no additional facility may have a maturity date that is earlier than the maturity date of (as applicable) the Revolving Credit and Guarantee Facilities or the Pension Guarantee Facility (or, as applicable in each case, if at such time the Revolving Credit and Guarantee Facilities or the Pension Guarantee Facility have been cancelled in full or would be repaid and cancelled in full after giving effect to the application of proceeds of the relevant additional revolving facility, guarantee facility and/or pension guarantee facility, any final maturity date), (ii) no “event of default” has occurred and is continuing at the time the relevant additional revolving

facility, guarantee facility and/or pension guarantee facility is committed (unless the proceeds of the relevant additional revolving facility, guarantee facility and/or pension guarantee facility are used to refinance existing additional revolving facilities, guarantee facilities or pension guarantee facilities), (iii) no additional pension guarantee facility may be established unless Försäkringsbolaget PRI Pensionsgaranti, ömsesidigt (PRI Pension Guarantee, Mutual Insurance Company) has requested additional credit support from the Group and (iv) no member of the Group may provide an additional revolving facility, guarantee facility and/or pension guarantee facility and no Sponsor or member of the Group may provide an additional pension guarantee facility.

Guarantees

The Revolving Credit and Guarantee Facilities are guaranteed by the Issuer and the Initial Guarantors (comprising Assemblin Holding AB, Assemblin AB, Assemblin Sweden AB, Assemblin Holding AS, Assemblin El AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin AS and Assemblin Installation AB).

The Pension Guarantee Facility is guaranteed by the Issuer and the Initial Guarantors.

Each Facilities Agreement requires that, subject to certain “agreed security principles” set out in the Facilities Agreements, each member of the Restricted Group that is, or becomes, a “material company” (which is generally defined under the Facilities Agreements to include, among other things, any member of the Restricted Group that has earnings before interest, tax, depreciation and amortization representing 5% or more of the consolidated earnings before interest, tax, depreciation and amortization of the Group, and any member of the Restricted Group that is the direct holding company of a borrower or guarantor of the Revolving Credit and Guarantee Facilities that is a “material company”) after November 29, 2019 (in each case, non wholly-owned member of the Group only to the extent there are no applicable restrictions) (by reference to the most recent annual consolidated financial statements of the Issuer (commencing with the first complete fiscal year ending after the November 29, 2019) is required to become a guarantor under the Facilities Agreements within 90 days of the date of delivery of the relevant annual consolidated or combined, as applicable, financial statements of the Issuer for the relevant fiscal year.

Furthermore, if on the last day of each financial year of the Issuer (commencing with the first complete financial year after November 29, 2019), the guarantors represent less than 80% of the consolidated earnings before interest, tax, depreciation and amortization of the members of the Group (subject to certain exceptions) (the “Guarantor Coverage Test”), within 90 days of delivery of the annual financial statements for the relevant financial year (commencing with the first complete financial year after November 29, 2019), such other members of the Restricted Group (subject to the agreed security principles and certain other exceptions) are required to become guarantors until the Guarantor Coverage Test is satisfied (to be calculated as if such additional guarantors had been guarantors on the last day of the relevant financial year). Non wholly-owned members of the Group may be excluded from such calculation if there is a restriction applicable to it in relation to becoming a guarantor.

Security

The Super Senior Facilities are secured by security interests granted over the same property and assets which secure the Notes, and are expected to be secured by the Post-Closing Collateral within 60 business days of the Issue Date (subject to the agreed security principles set out in the Facilities Agreements), as further described under “*Description of the Notes—Security*.”

Each holding company of any “material company” (*provided* that such holding company is a member of the Restricted Group (in each case, non wholly-owned member of the Group only to the extent there are no applicable restrictions)) which becomes a guarantor under any Super Senior Facility is required (subject to the agreed security principles set out in the Facilities Agreements) to grant security over the shares it holds in such material company in favor of the Security Agent.

Under the terms of the Intercreditor Agreement, proceeds from the enforcement of the transaction security for the Super Senior Facilities (whether or not shared with the holders of the Notes or the Guarantee Original Lenders) is required to be applied to repay indebtedness outstanding under:

- (a) the Pension Guarantee Facility in priority to the Revolving Credit and Guarantee Facilities, hedging obligations and the Notes; and
- (b) the Revolving Credit and Guarantee Facilities, as well as certain hedging obligations, in priority to the Notes.

Representations and Warranties

The Facilities Agreements contain certain customary representations and warranties (subject to certain customary materiality, actual knowledge and other qualifications, exceptions and baskets, and with certain representations and warranties being repeated), including without limitations: (i) status; (ii) binding obligations; (iii) non-conflict with other obligations; (iv) power and authority; (v) validity and admissibility in evidence; (vi) governing law and enforcement; (viii) no insolvency; (ix) no proceedings pending or threatened; (x) no events of default; (xi) taxation; (xii) no security/guarantees/financial indebtedness; (xiii) environmental laws; (xiv) *pari passu* ranking; (xv) legal and beneficial ownership; (xvi) shares; (xvii) Group structure; (xviii) center of main interest; (xix) sanctions and anti-corruption laws; (xx) deduction of tax; (xxi) no breach of laws; (xxii) good title to assets; and (xxiii) financial statements.

Covenants

The Facilities Agreements contains certain of the same incurrence covenants and related definitions (with certain adjustments) that apply to the Notes as included under the caption “*Description of the Notes—Certain Covenants.*”

In addition, the Facilities Agreements also contains certain affirmative and negative covenants, and the Revolving Credit and Guarantee Facilities Agreement also contains a financial covenant. Set forth below is a brief description of such covenants, all of which are subject to customary materiality, actual knowledge or other qualifications, exceptions and baskets.

Affirmative Covenants

The affirmative covenants include, among others: (i) providing certain financial information in respect of the Restricted Group, including annual audited and quarterly financial statements, an annual budget and compliance certificates; (ii) authorizations, (iii) compliance with laws; (iv) payment of taxes; (v) maintenance of *pari passu* ranking of the Super Senior Facilities; (vi) compliance with environmental permits and laws; (vii) compliance with sanctions and anti-corruption laws; (viii) maintenance of the Guarantor Coverage Test; (ix) further assurance provisions; and (x) maintenance of pension schemes of the Group; (xi) maintenance of insurances of the Group.

Negative Covenants

The negative covenants include restrictions, among others, with respect to changing the center of main interest of a borrower or guarantor under any Super Senior Facility. Otherwise, the negative covenants in the Super Senior Facilities are substantially the same as the negative covenants that is in the Indenture.

Certain of the incurrence covenants under the Facilities Agreements may be suspended upon (i) the occurrence of an “initial public offering” (that does not result in a “change of control”) and the achievement of a “consolidated net leverage ratio” of the Restricted Group is equal to or less than 3.00:1.00 (generally, *pro forma* for any prepayment of the Revolving Credit Facility from the proceeds of such initial public offering) or (ii) a member of the Restricted Group or a holding company of the Issuer having achieved an investment grade status (Baa3/BBB- or better by Moody’s Investors Service, Inc. or Standard & Poor’s Ratings Group).

The Facilities Agreements also contain a “notes purchase condition” covenant, which provides, subject to certain exceptions set out in the Facilities Agreements, that the Issuer may not, and shall procure that no other member of the Restricted Group will, prepay, purchase, redeem, retire or otherwise acquire for value any of the principal amount of the Notes prior to the scheduled repayment date. The exceptions to such covenant include, *inter alia*: (i) notes purchases funded with certain permitted indebtedness under the Facilities Agreement; (ii) (provided no “event of default” under any Super Senior Facility is continuing or would result from such note purchase) where the “consolidated net leverage ratio” for the Restricted Group would be equal to or less than 3.50:1.00 at the time such note purchase is contractually committed (*pro forma* to take account of the relevant notes purchase); (iii) (provided no event of default under any Super Senior Facility is continuing or would result from such note purchase) note purchases that do not exceed 50% of the aggregate face value of the Notes in existence at November 29, 2019 or incurred afterwards (and any permitted refinancing thereof); or (iv) (provided no event of default under any Super Senior Facility is continuing or would result from such note purchase) the Revolving Credit Facility is cancelled (and if applicable prepaid) in the same or greater proportion as the proportion of the note purchase to the aggregate face value of the Notes then outstanding.

Financial Covenant

The Revolving Credit and Guarantee Facilities Agreement requires the Issuer to comply with a consolidated “senior secured net leverage” financial covenant.” The financial covenant is tested quarterly on a rolling basis, generally, subject to (i) the first test date falling on the date that is the end of the second fiscal quarter date after December 6, 2019 and (ii) the Revolving Credit Facility being at least 40% cash drawn on the relevant test date. The finance parties under the Pension Guarantee Facility Agreement will not benefit from the financial covenant.

The Issuer is permitted to prevent or cure breaches of the financial covenant by applying a “cure” amount (generally, amounts received by the Issuer in cash pursuant to any new equity or permitted shareholder subordinated debt), including as if “consolidated earnings before interest, tax, depreciation and amortization” had been reduced by such amount. There is no requirement to apply any such cure amount in prepayment of the Revolving Credit and Guarantee Facilities. No more than four different cure amounts may be taken into account prior to the original termination date of the Revolving Credit and Guarantee Facilities Agreement and cure amounts in consecutive financial quarters are not permitted.

Events of Default

The Facilities Agreements provide for some of the same events of default, with certain adjustments, as those applicable for the Notes as set forth in the section entitled “*Description of the Notes—Events of Default.*” In addition, the Super Senior Facilities provides for certain customary events of default, all of which are subject to customary materiality and other qualifications, exceptions, baskets and/or grace periods, as appropriate, comprising without limitation: (i) breach of the financial covenant subject to possibilities to cure the financial covenant breach; (ii) breach of other obligations in material respects subject to a 20 business day grace period; (iii) representations or warranties found to be untrue or misleading when made or deemed repeated subject to a 20 business day grace period; (iv) material litigation, arbitration or administrative, governmental, regulator or other proceedings against any member of the Group or the Parent; (v) change of ownership of borrowers or ancillary borrowers (in each case other than the Issuer) under any of the Facilities Agreements; (vi) cross default subject to thresholds; (vii) cessation of business; (viii) unlawfulness and invalidity subject to a 20 business day grace period; (ix) failure to comply with a material term of the Intercreditor Agreement subject to a 20 business day grace period; and (x) repudiation and rescission of the finance documents subject to a 20 business day grace period.

No default or event of default (other than a non-payment default under the Pension Guarantee Facility Agreement) shall be deemed to have occurred or be continuing under the Pension Guarantee Facility Agreement unless a corresponding default or event of default has occurred and is continuing under the Revolving Credit and Guarantee Facilities Agreement (or any replacement facility) for as long any such agreement remains in force and (ii) any such default or event of default (other than in relation to non-payment default or event of default under the Pension Guarantee Facility Agreement) of the Pension Guarantee Agreement shall be continuing for as long as the corresponding default or event of default is continuing under the Revolving Credit and Guarantee Facilities Agreement (or any replacement facility) for as long as any such agreement remain in force.

Governing Law

The Facilities Agreements is governed by English law, *provided that* the events of default, incurrence covenants and related definitions for the Notes included (with certain adjustments) in the Facilities Agreements are interpreted in accordance with the law of the State of New York.

Intercreditor Agreement

To establish the relative rights of certain of our creditors under certain of our financing arrangements, the Issuer and HoldCo entered into an intercreditor agreement (the “Intercreditor Agreement”) on December 3, 2019, together with the RCF Agent, the Pension Guarantee Facility Agent, the Original Lenders and the Mandated Lead Arrangers, as well as the Trustee for the holders of the Notes (the “Senior Secured Notes Trustee”) and the Security Agent.

By accepting an Additional Note, the relevant holder thereof shall be deemed to have agreed to, and accepted the terms and conditions of, the Intercreditor Agreement and shall be deemed to have authorized the Trustee to enter into the Intercreditor Agreement on its behalf as Senior Secured Notes Trustee.

The following description is a summary of certain provisions, among others, that are contained in the Intercreditor Agreement and which relate to the rights and obligations of the holders of the Notes. It does not

restate the Intercreditor Agreement in its entirety. As such, you are urged to read the Intercreditor Agreement because it, and not the description that follows, defines certain rights of the holders of the Additional Notes.

Unless expressly stated otherwise in the Intercreditor Agreement, in the event of a conflict between the terms of the Facilities Agreements, the Indenture and the Intercreditor Agreement, the provisions of the Intercreditor Agreement will prevail.

The Temporary Notes will not be subject to the Intercreditor Agreement and the Temporary Trustee shall not be a party to the Intercreditor Agreement.

Overview

The Intercreditor Agreement sets out, among other things:

- the relative ranking of certain debt of the Issuer and its “restricted subsidiaries” (together, the “Group”) in respect of “Pension Guarantee Facility Liabilities,” “RCF and Guarantee Facilities Liabilities,” “Credit Facility Liabilities,” “Senior Secured Notes Liabilities,” “Future Pari Passu Debt Liabilities,” “Super Senior Hedging Liabilities,” “Pari Passu Hedging Liabilities” and “Future Senior Subordinated Debt Liabilities” (each as defined below);
- the relative ranking of certain security granted by certain members of the Group for the benefit of certain creditors under certain of our financing arrangements;
- when payments can be made in respect of certain indebtedness of the Group;
- when enforcement action (including acceleration and/or demand for payment and certain similar actions) (“Enforcement Action”) can be taken in respect of the “Transaction Security” (as defined below);
- the requirement to turnover amounts received from enforcement of the Transaction Security and certain guarantees provided by certain members of the Group;
- when the Transaction Security and guarantee(s) issued by certain members of the Group are released to permit an enforcement sale;
- the circumstances under which creditors’ claims (including the claims of holders of the Notes against the Issuer) might be required to be transferred to third parties or released to assist in enforcement; and
- the order for applying proceeds from the enforcement of the Transaction Security, certain guarantees and other amounts received by the Security Agent.

Incurrence of Additional Indebtedness

The Intercreditor Agreement contains customary provisions regulating certain additional indebtedness permitted to be incurred by members of the Group and which is contemplated to be secured by the documents creating security (including the Collateral) (the “Transaction Security”) granted by certain members of the Group (together, the “Transaction Security Documents”).

Such additional indebtedness may either, with respect to the Transaction Security (and the proceeds thereof): (i) be in the form of loans, credit or debt facilities or notes (among other things) and have equivalent rights to the rights of the holders of the Notes under the Intercreditor Agreement, in which case it will vote in, and share in the proceeds of, enforcement of the Transaction Security with the same class of creditors as the holders of Notes (such indebtedness, “Future Pari Passu Debt” and, the holders of such indebtedness, “Future Pari Passu Debt Creditors”); (ii) be in the form of a “credit facility” ranking senior to the liabilities in respect of the Notes with respect to the proceeds of enforcement of the Transaction Security, in which case it will vote in, and share in the proceeds of, enforcement of Transaction Security with the lenders under the Revolving Credit and Guarantee Facilities and any “Super Senior Hedging Agreements” (as defined below) (such additional credit facilities, solely for the purposes of this description of the Intercreditor Agreement, the “Credit Facilities” and, the lenders of such indebtedness, the “Additional Credit Facility Lenders”); (iii) be in the form of a “pension guarantee facility” ranking senior to the liabilities in respect of the Super Senior Lenders with respect to the proceeds of enforcement of the Transaction Security, in which case it will vote in, and share in the proceeds of, enforcement of Transaction Security with the lenders under the Pension Facilities (such additional pension guarantee facilities, solely for the purposes of this description of the Intercreditor Agreement, the “Additional Pension Facilities” and, the lenders of such indebtedness, the “Additional Pension Guarantee Facility Lenders”); or (iv) to the extent that it benefits from Transaction Security, be in the form of loans, credit or debt facilities or notes (among other things) and rank junior to the liabilities in respect of the Notes, in which case it will share in the proceeds of enforcement of the Transaction Security expressed to secure it on a junior basis to the holders of the Notes (such indebtedness, “Future Senior Subordinated Debt,” and the lenders or holders of such indebtedness, the “Future Senior Subordinated Creditors”).

Hedging Transactions

The Intercreditor Agreement contains provisions that permit certain members of the Group to enter into hedging agreements with certain hedge counterparties, which may also be secured by the Transaction Security.

The hedging agreements may either, with respect to the Transaction Security (and the proceeds thereof): (i) be secured on a senior basis to the liabilities in respect of the Notes with respect to the proceeds of enforcement of the Transaction Security, in which case it will vote in, and share in the proceeds of, enforcement of the Transaction Security with the lenders and creditors under the Revolving Credit and Guarantee Facilities (such hedging agreements, the “Super Senior Hedging Agreements,” and, the hedge counterparties in respect thereof, the “Super Senior Hedging Banks”); or (ii) have equivalent rights to the rights of the holders of the Notes under the Intercreditor Agreement, in which case it will vote in, and share in the proceeds of, enforcement of the Transaction Security with the same class of creditors as the holders of Notes and the holders of any Future Pari Passu Debt (such hedging agreements, the “Pari Passu Hedging Agreements,” and, the hedge counterparties in respect thereof, the “Pari Passu Hedging Banks” and, together with the Super Senior Hedging Banks, the “Hedging Banks”).

Intra-Group Debt and Shareholder Debt

None of the Issuer, any of its restricted subsidiaries or any shareholder of a member of the Group which is not otherwise party to (1) a document creating security in favor of any of the “Super Senior Creditors” (as defined below), “Super Senior Creditors” (as defined below), “Senior Secured Creditors” (as defined below) or the Future Senior Subordinated Creditors or (2) the debt documents thereby secured, is party to the Intercreditor Agreement save for: (i) any shareholder of the Issuer (or affiliate of the Issuer which is not a member of the Group) in respect of any existing or future loan made to the Issuer or any of its restricted subsidiaries (each a “Shareholder Creditor,” and each such loan, the “Shareholder Debt Liabilities”); and (ii) certain members of the Group that lend (each an “Intragroup Lender”) to other members of the Group and each debtor under such loan or any other entity which accedes or otherwise becomes a party to the Intercreditor Agreement as a debtor and/or creditor, that will accede to the Intercreditor Agreement with respect to the loans or indebtedness owing from such member of the Group to such other member of the Group in respect of intra-group loans which are in an aggregate amount of €10 million or more and which are or is outstanding for more than twelve months (the “Intra-Group Liabilities”) (each an “Obligor” and, together, the “Obligors”).

The Intercreditor Agreement contains subordination provisions relating to any Intra-Group Liabilities as well as the Shareholder Debt Liabilities. However, Obligors will not be prohibited from making payments in respect of any Intra-Group Liabilities until an “acceleration event” has occurred and is continuing under any of the Revolving Credit and Guarantee Facilities Agreement, the Indenture, any Credit Facility, any Future Pari Passu Debt or any Future Senior Subordinated Debt.

Security Agent

There is a single security agent appointed to act at all times on behalf of (i) the lenders under the Pension Guarantee Facility Agreement (together, the “Pension Guarantee Lenders”) and any Additional Pension Guarantee Facility Lenders (together, the “Super Senior Creditors”), (ii) the lenders under the Revolving Credit and Guarantee Facilities and any Additional Credit Facility Lender (together, the “RCF and Guarantee Lenders”), any Super Senior Hedging Banks and any Additional Credit Facility Lenders (together, the “Super Senior Creditors”), (ii) the holders of the Notes, any Pari Passu Hedging Banks and any Future Pari Passu Debt Creditors (collectively, the “Senior Secured Creditors” and, together with the Super Senior Creditors and the Super Senior Creditors, the “Senior Creditors,” and the debt owing to the Senior Creditors, the “Senior Debt”) and (iii) any Future Senior Subordinated Creditors.

Ranking and Priority

Priority of Indebtedness

The Intercreditor Agreement provides that the liabilities of the Obligors, as the case may be, in respect of the Pension Facilities (the “Pension Guarantee Facility Liabilities”) and any Additional Pension Facilities (together with the Pension Guarantee Facility Liabilities, the “Super Senior Liabilities”), the Revolving Credit and Guarantee Facilities (the “RCF and Guarantee Facilities Liabilities”), any Credit Facilities (the “Credit Facility Liabilities”), the Notes and any additional notes issued from time to time under the Indenture (together, the “Senior Secured Notes,” and the liabilities in respect thereof, the “Senior Secured Notes Liabilities”), the Future

Pari Passu Debt (the “Future Pari Passu Debt Liabilities”), the amounts owing to the Super Senior Hedging Banks under the Super Senior Hedging Agreements (the “Super Senior Hedging Liabilities” and, together with the RCF and Guarantee Facilities Liabilities and the Credit Facility Liabilities, the “Super Senior Liabilities”) and the amounts owing to the Pari Passu Hedging Banks under the Pari Passu Hedging Agreements (the “Pari Passu Hedging Liabilities” and, together with the Super Senior Hedging Liabilities, the “Hedging Liabilities”), certain customary costs and expenses of the Senior Secured Notes Trustee (the “Senior Secured Trustee Liabilities”), amounts owing to the Security Agent, and amounts owing to the representatives for the creditors under the Super Senior Liabilities, the RCF and Guarantee Facilities Liabilities, the Credit Facility Liabilities, the Senior Secured Notes Liabilities and the Pari Passu Hedging Liabilities, respectively, ranks equally (without preference among them) in right and priority of payment and in priority to the liabilities of the Obligors, as the case may be, in respect of the Future Senior Subordinated Debt (the “Future Senior Subordinated Debt Liabilities”), the Intra-Group Liabilities and the Shareholder Debt Liabilities.

The Future Senior Subordinated Debt ranks in priority to the Intra-Group Liabilities and the Shareholder Debt Liabilities.

The Intercreditor Agreement does not rank any of liabilities and/or obligations owed any person who is not the Issuer or a restricted subsidiary of the Issuer.

Priority of Transaction Security

The Intercreditor Agreement provides that the Transaction Security created pursuant to the Transaction Security Documents shall rank and secure the following liabilities in the following order (but only, in each case, to the extent that such Transaction Security is expressed to secure those liabilities):

- **first**, *pari passu* between themselves and without any preference between them, the Super Super Senior Liabilities, the RCF and Guarantee Facilities Liabilities, the Credit Facility Liabilities, the Super Senior Hedging Liabilities, the Senior Secured Notes Liabilities, the Future Pari Passu Debt Liabilities, certain customary costs and expenses of the Senior Secured Trustee and the Pari Passu Hedging Liabilities; and
- **second**, *pari passu* between themselves and without any preference between them, the Future Senior Subordinated Debt Liabilities.

The proceeds from the enforcement of the Transaction Security are to be applied as described below under the caption “—Application of Proceeds/Waterfall.”

Intra-Group Liabilities and Shareholder Debt Liabilities

The Intercreditor Agreement provides that the Intra-Group Liabilities and the Shareholder Debt Liabilities are postponed and subordinated to the liabilities owed by the Obligors to the Super Super Senior Creditors, the Super Senior Creditors, the Senior Secured Creditors and the Future Senior Subordinated Creditors (collectively, the “Primary Creditors”).

Restrictions on Payments

Super Super Senior Creditors, Super Senior Creditors and Senior Secured Creditors

The Intercreditor Agreement provides that the Obligors may make payments in respect of the Super Super Senior Liabilities, RCF and Guarantee Facilities Liabilities, the Credit Facility Liabilities, the Senior Secured Notes Liabilities and the Future Pari Passu Debt Liabilities, respectively, at any time in accordance with their respective terms.

Future Senior Subordinated Creditors

Prior to the date of discharge of all Senior Debt (the “Senior Debt Discharge Date”), except with the prior consent of an “Instructing Group” (as defined below), neither the Issuer nor any member of the Group may make payments in respect of the Future Senior Subordinated Debt Liabilities without the consent of the “Relevant Representative” (as defined below) except for the following:

- (1) if:
 - (a) the payment is:
 - (i) any of the principal or interest (including capitalized interest and default interest) amount of the Future Senior Subordinated Debt Liabilities which is either (1) not prohibited from being paid by

the Pension Guarantee Facility Agreement or any Additional Pension Facilities finance arrangement, the Revolving Credit and Guarantee Facilities Agreement or any Credit Facility finance agreement, the Indenture or any Future Pari Passu Debt finance agreement or (2) paid on or after the final maturity date of the Future Senior Subordinated Debt Liabilities (*provided that* (x) the scheduled maturity date of such Future Senior Subordinated Debt is, at the first date of incurrence of such Future Senior Subordinated Debt, no earlier than the date falling six months after the original scheduled maturity date of the Notes issued on or about the date of the Intercreditor Agreement (it being acknowledged that such Future Senior Subordinated Debt may have customary optional redemption, change of control, asset sale and/or other customary mandatory redemption provisions) and (y) such maturity date is no earlier than that contained in the relevant Future Senior Subordinated Debt documents as of the first date of incurrence of any Future Senior Subordinated Debt); or

- (ii) any other amount in respect of the Future Senior Subordinated Debt Liabilities which is not an amount of principal or capitalized interest and default interest on the Future Senior Subordinated Debt Liabilities accrued due and payable in cash in accordance with the terms of the relevant debt documents for the Future Senior Subordinated Debt (together, the “Future Senior Subordinated Debt Documents”), additional amounts payable as a result of the tax gross-up provisions relating to the Future Senior Subordinated Debt Liabilities and amounts in respect of currency indemnities in the relevant Future Senior Subordinated Debt Documents;
- (b) no notice delivered pursuant to the terms of the Intercreditor Agreement blocking payments in respect of the Future Senior Subordinated Debt Liabilities (a “Payment Blockage Notice”) is outstanding; and
- (c) no payment default under the Pension Guarantee Facility, Revolving and Guarantee Credit Facility, any Credit Facility and no payment default of €100,000 (or its equivalent) or more in respect of the Senior Secured Notes Liabilities or Future Pari Passu Debt Liabilities is continuing (a “Senior Debt Payment Default”); or
- (2) the “Majority Super Senior Creditors,” “Majority Super Senior Creditors” and the “Majority Senior Secured Creditors” (each as defined below) give prior consent to that payment being made; or
- (3) the payment is a “Permitted Post-Payment Blockage Payment” (as defined below).
- (4) the payment is in respect of costs, commissions, taxes, consent fees and expenses incurred in respect of (or reasonably incidental to) the Future Senior Subordinated Debt Documents (including in relation to any reporting or listing requirements under the Future Senior Subordinated Debt Documents); or
- (5) the payment is in respect of costs, commissions, taxes, premiums and any expenses incurred in respect of (or reasonably incidental to) any refinancing of the Future Senior Subordinated Debt in compliance with the Intercreditor Agreement, the Pension Guarantee Facility Agreement, any Additional Pension Facilities finance arrangement, the Revolving Credit and Guarantee Facilities Agreement and any Credit Facility finance agreement, the Indenture and any Future Pari Passu Debt finance agreement;
- (6) the payment is in respect of certain customary costs and expenses payable to a “Future Senior Subordinated Debt Representative” (as defined below); or
- (7) the payment is permitted or otherwise not prohibited by Pension Guarantee Facility Agreement, any Additional Pension Facilities finance arrangement, the Revolving Credit and Guarantee Facilities Agreement, any Credit Facility finance agreement, the Indenture and any Future Pari Passu Debt finance agreement.

On or after the Senior Debt Discharge Date, the Obligors may make payments to the Future Senior Subordinated Creditors in respect of the Future Senior Subordinated Debt Liabilities in accordance with the Future Senior Subordinated Debt Documents.

Payment Block—Future Senior Subordinated Debt

Prior to the Senior Debt Discharge Date, if a Senior Debt Payment Default has occurred and is continuing, all payments in respect of the Future Senior Subordinated Debt Liabilities (other than any payment consented to by the “Majority Super Senior Creditors,” the “Majority Super Senior Creditors” and the “Majority Senior Secured Creditors” (each as defined below) and certain specified exceptions) are suspended.

Prior to the Senior Debt Discharge Date, if an event of default (other than a Senior Debt Payment Default) under the finance documents in respect of the Senior Debt (a “Senior Default”) has occurred and is continuing, and

either the Pension Guarantee Facility Agent, the creditor representative for any Pension Guarantee Facility, the RCF Agent, the creditor representative for any Credit Facility (together the “Senior Agents” and each a “Senior Agent”), the Senior Secured Notes Trustee or a creditor representative of Future Pari Passu Debt (as the case may be) (each a “Relevant Representative”) has delivered a Payment Blockage Notice to the Issuer, the Security Agent and creditor representative of the Future Senior Subordinated Creditors (the “Future Senior Subordinated Debt Representative”), all payments in respect of the Future Senior Subordinated Debt Liabilities (other than those consented to by the Majority Super Senior Creditors, Majority Super Senior Creditors and Majority Senior Secured Creditors and certain specified exceptions) are suspended until the earliest of:

- (1) the date on which there is a waiver, remedy or cure of such Senior Default in accordance with the relevant finance documents;
- (2) the date on which a default under the Future Senior Subordinated Debt occurs for failure to pay principal at the original scheduled maturity of the Future Senior Subordinated Debt;
- (3) the date falling 179 days after the receipt by the Future Senior Subordinated Debt Representative of the Payment Blockage Notice;
- (4) if a “Standstill Period” (as defined below) is in effect at any time after delivery of a Payment Blockage Notice, the date on which that Standstill Period expires;
- (5) the date on which the relevant Senior Default is no longer continuing and, if the relevant Senior Debt has been accelerated, such acceleration has been rescinded (and if such acceleration consisted solely of declaring the relevant debt payable on demand such rescission can be effected by the relevant majority creditors in respect of the relevant debt);
- (6) the date on which the Relevant Representative which issued the Payment Blockage Notice (and, if at such time a Senior Default is continuing (other than in relation to the Senior Debt in respect of which such notice was given), the Relevant Representative(s) in respect of that other Senior Debt) delivers a notice to the Issuer, the Security Agent and the Future Senior Subordinated Debt Representative cancelling that Payment Blockage Notice;
- (7) the Senior Debt Discharge Date; and
- (8) the date on which the Future Senior Subordinated Debt Representative or the Security Agent takes any Enforcement Action which it is permitted to take in accordance with the Intercreditor Agreement.

Unless the Future Senior Subordinated Debt Representative waives this requirement: (i) no new Payment Blockage Notice may be served by a Relevant Representative unless 360 days have elapsed since the delivery of the immediately prior Payment Blockage Notice; and (ii) no Payment Blockage Notice may be served in reliance on a Senior Default more than 60 days after the date that the Relevant Representative received notice of that Senior Default.

The Relevant Representative may only serve one Payment Blockage Notice with respect to the same event or set of circumstances. Subject to the immediately preceding paragraph, this shall not affect the right of the Relevant Representatives to issue a Payment Blockage Notice in respect of any other event or set of circumstances.

No Payment Blockage Notice may be served by a Relevant Representative in respect of a Senior Default which had been notified to each of them at the time at which an earlier Payment Blockage Notice was issued.

Cure of Payment Block—Future Senior Subordinated Creditors

If:

- (a) at any time following the issue of a Payment Blockage Notice or the occurrence of a Senior Debt Payment Default, that Payment Blockage Notice ceases to be outstanding and/or (as the case may be) the Senior Debt Payment Default ceases to be continuing; and
- (b) the relevant Obligor then promptly pays to the Future Senior Subordinated Creditors an amount equal to any payments which had accrued under any Future Senior Subordinated Debt Documents and which would have otherwise been entitled to make but for that Payment Blockage Notice or Senior Debt Payment Default

(a “Permitted Post-Payment Blockage Payment”), then any event of default which may have occurred as a result of that suspension of payments shall be waived and any “Future Senior Subordinated Debt Enforcement Notice” (as defined below) which may have been issued as a result of that event of default shall be waived, in each case without any further action being required on the part of the Future Senior Subordinated Creditors.

Enforcement Action

Permitted enforcement by Future Senior Subordinated Creditors

Prior to the Senior Debt Discharge Date, neither the Future Senior Subordinated Debt Representative nor the Future Senior Subordinated Creditors may take or require the taking of an Enforcement Action with respect to the Future Senior Subordinated Debt without the prior consent of or as required by an “Instructing Group” (as defined below), except if:

- (1) an event of default has occurred under a Future Senior Subordinated Debt finance agreement resulting from failure to pay the principal amount of the Future Senior Subordinated Debt Liabilities at final maturity; or
- (2)
 - (a) an event of default under a Future Senior Subordinated Debt finance agreement is continuing (the “Relevant Future Senior Subordinated Debt Event of Default”);
 - (b) each Relevant Representative has received notice of the Relevant Future Senior Subordinated Debt Event of Default from the relevant Future Senior Subordinated Debt Representative;
 - (c) a Standstill Period has expired; and
 - (d) the Relevant Future Senior Subordinated Debt Event of Default is continuing at the end of the relevant Standstill Period,

provided that in the case of paragraph (2) above only, no such Enforcement Action may be taken if the Security Agent is acting in accordance with the instructions of the Instructing Group to take steps for Enforcement and such proposed Enforcement Action in relation to the Future Senior Subordinated Debt Documents might reasonably be likely to adversely affect such Enforcement Action by the Security Agent.

Standstill on enforcement by Future Senior Subordinated Creditors

A “**Future Senior Subordinated Standstill Period**” shall mean the period starting on the date that the Future Senior Subordinated Debt Representative serves an enforcement notice (a “**Future Senior Subordinated Debt Enforcement Notice**”) on the Relevant Representatives until the earliest of:

- (a) 179 days after such date;
- (b) the date on which the Security Agent takes any Enforcement Action, provided that (i) if the Future Senior Subordinated Standstill Period ends pursuant to this paragraph (b), the Future Senior Subordinated Creditors may only take the same Enforcement Action against the same entity as is taken by the Security Agent and may not take any other action against any other member of the Group or Holdco and (ii) Enforcement Action, for the purposes of this paragraph (b), shall not include action taken to preserve or protect any security as opposed to realize it;
- (c) the date on which an insolvency event occurs in respect of a particular Obligor owing Future Senior Subordinated Debt Liabilities and against whom Enforcement Action is to be taken;
- (d) the date on which an event of default under a Future Senior Subordinated Debt Document occurs for failure to pay principal at the original scheduled maturity of the Future Senior Subordinated Debt; and
- (e) the expiration of any other Future Senior Subordinated Standstill Period which was outstanding at the date that the current Future Senior Subordinated Standstill Period commenced (other than as a result of a cure, waiver or other permitted remedy thereof).

Standstill on enforcement by Super Super Senior Creditors

A “**Pension Guarantee Standstill Period**” shall mean the period starting on the date that the creditor representative for any Pension Guarantee Facility serves an enforcement notice on the Relevant Representatives until the earliest of:

- (a) 120 days if they take enforcement action due to a payment default;
- (b) 150 days if they take enforcement action due to any other event of default;
- (c) the date on which the Security Agent takes any Enforcement Action, provided that (i) if the Pension Guarantee Standstill Period ends pursuant to this paragraph (c), the Super Super Senior Creditors may only take the same Enforcement Action against the same entity as is taken by the Security Agent and may not

take any other action against any other member of the Group or Holdco and (ii) Enforcement Action, for the purposes of this paragraph (c), shall not include action taken to preserve or protect any security as opposed to realize it;

- (d) the Majority Super Senior Secured Creditors and the Majority Senior Secured Creditors have given their prior consent; or
- (e) the date on which an insolvency event occurs in respect of a particular Obligor owing Super Super Senior Liabilities and against whom Enforcement Action is to be taken.

Composition of the instructing creditor groups

The Intercreditor Agreement generally provides that the Security Agent may refrain from enforcing the Transaction Security unless instructed otherwise by an Instructing Group. Each of the creditor groups referred to below under this caption constitute an “Instructing Group” in relation to instructions with respect to any Enforcement.

Prior to the date upon which all amounts (actual or contingent) owing under the (a) Revolving Credit and Guarantee Facility and each other Credit Facility are fully discharged and paid in full and all commitments thereunder are irrevocably cancelled (such date, the “RCF/Credit/Guarantee Facility Discharge Date”), (b) the Pension Guarantee Facility and each other Additional Pension Guarantee Facility are fully discharged and paid in full and all commitments thereunder are irrevocably cancelled (such date, the “Pension Guarantee Facility Discharge Date”) and (c) Super Senior Hedging Liabilities are fully discharged and paid in full (“Super Senior Hedging Discharge Date”), in relation to instructions with respect to any Enforcement, the Security Agent will act on the instructions of, generally:

- (1) the Pension Guarantee Lenders and any Additional Pension Guarantee Facility Lenders whose credit participations represent more than 66 $\frac{2}{3}$ % of the aggregate credit participations of all Pension Guarantee Lenders and Additional Pension Guarantee Facility Lenders (the “Majority Super Super Senior Creditors”);
- (2) the RCF and Guarantee Lenders, the Additional Credit Facility Lenders and the Super Senior Hedging Banks whose credit participations represent more than 50% of the aggregate credit participations of all RCF and Guarantee Lenders, Additional Credit Facility Lenders and Super Senior Hedging Banks (the “Majority Super Senior Creditors”); and/or
- (3) the holders of the Senior Secured Notes, the Future Pari Passu Debt Creditors and the Pari Passu Hedging Banks whose aggregate credit participations represent more than 50% of the aggregate credit participations of all holders of Senior Secured Notes, Future Pari Passu Debt Creditors and Pari Passu Hedging Banks (the “Majority Senior Secured Creditors”),

in each case subject to a consultation period referred to under the caption “—*Consultation*” below and *provided* that such instructions are consistent with the “Security Enforcement Principles” (as defined below) as generally described below under the caption “—*Security Enforcement Principles*”

Following the RCF/Credit/Guarantee Facility Discharge Date, the Pension Guarantee Facility Discharge Date and the Super Senior Hedging Discharge Date but prior to the Senior Debt Discharge Date, the Security Agent will act on the instructions of the Majority Senior Secured Creditors which would, solely for this purpose, include all Super Senior Hedging Banks (if any).

Following the Senior Debt Discharge Date, the Security Agent will act on the instructions of the “Majority Senior Subordinated Creditors” (being, at any time, those Future Senior Subordinated Creditors whose credit participations at that time aggregate more than 50% of the aggregate credit participations of all Future Senior Subordinated Creditors).

Consultation

Prior to giving any instructions to the Security Agent to commence enforcement of all or part of the Transaction Security and/or the requesting of a “distressed disposal” and/or the release or disposal of claims or Transaction Security on a distressed disposal (each an “**Enforcement**”), the relevant creditor representative(s) of the Majority Super Super Senior Creditors, the Majority Super Senior Creditors or the Majority Senior Secured Creditors shall first notify the Security Agent and the creditor representative for each of the, Super Super Senior Creditors, the Super Senior Creditors and each of the Senior Secured Creditors that the applicable Transaction Security has become enforceable.

As soon as reasonably practicable after receipt of such a notice instructing the Security Agent to solicit instructions to enforce the Transaction Security or take any other Enforcement Action given by (subject to the Super Super Senior Creditors being entitled to take Enforcement Actions as generally described below under the caption “—*Standstill on enforcement by Super Super Senior Creditors*”) the Majority Super Super Senior Creditors, the Majority Super Senior Creditors and/or the Majority Senior Secured Creditors (as the case may be), the Security Agent shall distribute such notice to the relevant addressees promptly upon receipt, following which, each Senior Agent (acting on the instructions of the Majority Super Senior Creditors and/or the Majority Super Super Senior Creditors (as the case may be)), the Senior Secured Notes Trustee and the creditor representative(s) of the Future Pari Passu Debt Creditors will consult in good faith with each other and the Security Agent for a period of 15 days from the date such notice is received by such persons (or such shorter period as the relevant parties may agree) (the “Consultation Period”) with a view to coordinating the instructions to be given by an Instructing Group and agreeing an enforcement strategy.

Generally, no such consultation shall be required (and an Instructing Group shall be entitled to give any instructions to the Security Agent to enforce the Transaction Security or take any other Enforcement Action prior to the end of the Consultation Period, in each case provided such instructions comply with the Security Enforcement Principles (“Qualifying Instructions”)) where:

- (a) the Transaction Security has become enforceable as a result of an insolvency event affecting Holdco, the Issuer or any Obligor (owing liabilities to any Primary Creditor or the Issuer) or any “significant subsidiary” or “significant group” (as applicable) (each a “Relevant Company”); or
- (b) the Majority Super Super Senior Creditors, the Majority Super Senior Creditors or the Majority Senior Secured Creditors determine in good faith (and notify the creditor representatives of each of the other Pension Guarantee Lenders, the Additional Pension Guarantee Facility Lenders, RCF and Guarantee Lenders, Additional Credit Facility Lenders, Super Senior Hedging Banks, the holders of the Senior Secured Notes, the Future Pari Passu Debt Creditors and the Security Agent) that any delay caused by such consultation could reasonably be expected to reduce the amount likely to be realized to a level such that (following application thereof in accordance with the “Payments Waterfall” (as defined below) described below under the caption “—*Application of Proceeds/Waterfall*”) Super Super Senior Liabilities and the Super Senior Liabilities would not be discharged in full and in this case any instructions is limited to those necessary to protect or preserve the interests of the Senior Secured Creditors on behalf of which the relevant Instructing Group is acting and the Security Agent shall act in accordance with the instructions first received.

If, following the Consultation Period, the Majority Super Super Senior Creditors, the Majority Super Senior Creditors and/or the Majority Senior Secured Creditors have agreed on an enforcement strategy, the Security Agent shall be instructed to implement the same.

Subject to the paragraph below, in the event that conflicting instructions (and for these purposes silence is deemed to be a conflicting instruction) are received from either Instructing Group by the end of (or following) the Consultation Period, the Security Agent shall enforce the Transaction Security and/or refrain from enforcing the Transaction Security and/or take the relevant other Enforcement Action in accordance with the instructions provided by the Majority Senior Secured Creditors, *provided* that any such instructions are Qualifying Instructions and the terms of all instructions received by the Majority Super Super Senior Creditors and/or Majority Super Senior Creditors during the Consultation Period shall be deemed revoked.

If, prior to the:

- (a) RCF/Credit/Guarantee Facility Discharge Date, either (x) the Super Senior Liabilities have not been repaid in full in cash within six months of the end of the Consultation Period, (y) the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action within three months of the end of the Consultation Period or (z) at any time (whether before or after the end of the Consultation Period) an insolvency event has occurred with respect to a Relevant Company and the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action at that time with respect to such Relevant Company, then, in relation to instructions with respect to any Enforcement, the Security Agent shall thereafter follow any instructions that are subsequently given by the Majority Super Senior Creditors (in each case provided the same are Qualifying Instructions) to the exclusion of those given by the Majority Senior Secured Creditors and the Super Super Senior Creditors (to the extent conflicting with any instructions previously given by the Majority Senior Secured Creditors and the Super Super Senior Creditors); and

- (b) Pension Guarantee Facility Discharge Date, either (x) the Super Senior Liabilities have not been repaid in full in cash within twelve months of the end of the Consultation Period, (y) the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action within nine months of the end of the Consultation Period or (z) at any time (whether before or after the end of the Consultation Period) an insolvency event has occurred with respect to a Relevant Company and the Security Agent has not commenced any Enforcement (or any transaction in lieu) or other Enforcement Action at that time with respect to such Relevant Company, then, in relation to instructions with respect to any Enforcement, the Security Agent shall thereafter follow any instructions that are subsequently given by the Majority Super Senior Creditors (in each case provided the same are Qualifying Instructions) to the exclusion of those given by the Majority Senior Secured Creditors and the Majority Super Senior Creditors (to the extent conflicting with any instructions previously given by the Majority Senior Secured Creditors and the Majority Super Senior Creditors).

Security Enforcement Principles

The Intercreditor Agreement provides that enforcement of the Transaction Security must be conducted in accordance with the “Security Enforcement Principles,” which principles shall include the following:

- (a) It shall be the aim of any Enforcement of the Transaction Security to maximize, so far as is consistent with a prompt and expeditious realization of value from Enforcement of the Transaction Security, and in a manner consistent with the Intercreditor Agreement, the recovery of the Pension Guarantee Lenders and Additional Pension Guarantee Facility Lenders, the RCF and Guarantee Lenders and Additional Credit Facility Lenders, the Hedging Banks, the holders of the Senior Secured Notes and their representatives, the Future Pari Passu Debt Creditors and their representatives and the Future Senior Subordinated Creditors (to the extent the Transaction Security is expressed to secure such debt) and their representatives (the “Security Enforcement Objective”).
- (b) Without prejudice to the Security Enforcement Objective, the Transaction Security is enforced and any other action as to Enforcement is taken such that either:
 - (i) all proceeds of Enforcement are received by the Security Agent in cash (or substantially all cash) for distribution in accordance with the Payments Waterfall; or
 - (ii) sufficient proceeds of Enforcement is received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the Payments Waterfall, *first*, the Super Senior Liabilities are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise) and *second*, the Super Senior Liabilities are repaid and discharged in full (unless the Majority Super Senior Creditors agree otherwise).
- (c) On:
 - (i) a proposed Enforcement of any of the Transaction Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds €5.0 million (or its equivalent); or
 - (ii) a proposed Enforcement of any of the Transaction Security over some or all of the shares in a member of the Group over which Transaction Security exists,

the Security Agent shall (unless such enforcement is made pursuant to a public auction or process supervised by a court of law which makes a determination as to value) obtain an opinion from a reputable internationally recognized investment bank or international accounting firm or other reputable, third-party professional firm that is regularly engaged in providing valuations of businesses or assets similar or comparable to those charged under the Transaction Security to be enforced (a “Financial Advisor”) to opine as expert:

- (A) on the optimal method of enforcing the Transaction Security so as to achieve the Security Enforcement Objective and maximize the recovery of any such Enforcement Action;
 - (B) that the proceeds received from Enforcement are fair from a financial point of view after taking into account all relevant circumstances; and
 - (C) that such sale is otherwise in accordance with the Security Enforcement Objective.
- (d) The Security Agent shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the Intercreditor Agreement or any other provision of the Intercreditor Agreement. It is understood that the Financial Advisor may limit its liability in respect of the opinion referred to in (c) above to the amount of its fees in respect of such engagement.

Generally, the Security Enforcement Principles may be amended, varied or waived with the prior written consent of the Issuer, the Majority Super Senior Creditors, the Majority Super Senior Creditors, the requisite holders of the Senior Secured Notes (as determined under the Indenture or, if not addressed thereunder, with the approval of at least a majority of such Senior Secured Notes Liabilities); and the requisite Future Pari Passu Debt Creditors (as determined under the relevant finance documents for such Future Pari Passu Debt or, if not addressed thereunder, with the approval of at least a majority of such Future Pari Passu Debt Liabilities).

Turnover

The Intercreditor Agreement also provides that, subject to certain exceptions, if any Primary Creditor receives or recovers the proceeds of any enforcement of any Transaction Security applied other than in accordance with the Payments Waterfall, it shall:

- in relation to receipts or recoveries not received or recovered by way of set-off: (i) hold that amount on trust for the Security Agent and separate from other assets, property or funds and promptly pay that amount or an amount equal to that amount to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and (ii) promptly pay an amount equal to the amount (if any) by which receipt or recovery exceeds the relevant liabilities owed to the Security Agent for application in accordance with the terms of the Intercreditor Agreement; and
- in relation to receipts and recoveries received or recovered by way of set-off, promptly pay an amount equal to that receipt or recovery to the Security Agent for application in accordance with the terms of the Intercreditor Agreement.

Application of Proceeds/Waterfall

Subject to certain exceptions, all amounts received or recovered by the Security Agent in connection with the realization or Enforcement of all or any part of the Transaction Security or otherwise paid to the Security Agent in accordance with the Intercreditor Agreement for application below is paid to the Security Agent for application in accordance with the following order of priority (the “Payments Waterfall”):

- **first**, in payment of the following amounts in the following order (i) *pari passu* and *pro rata* any sums owing to the Security Agent, any receiver or any delegate and certain fees, costs and expenses (including any permitted Enforcement Action); and then (ii) *pari passu* and *pro rata* to each other creditor representative of the Primary Creditors in respect of their costs and expenses (to the extent not included in (i) above, but excluding any Hedging Bank as its own creditor representative);
- **second**, *pari passu* and *pro rata*, in or towards payment of all costs and expenses incurred by the Super Senior Creditors in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent;
- **third**, *pari passu* and *pro rata*, in or towards payment to the Pension Facility Agent in respect of all amounts then due and payable to itself and to the Pension Guarantee Lenders, Additional Pension Guarantee Facility Lenders and the arrangers under the Pension Guarantee Facilities and Additional Pension Facilities (as applicable) at such time;
- **fourth**, *pari passu* and *pro rata*, in or towards payment of all costs and expenses incurred by the Super Senior Creditors in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Intercreditor Agreement or any action taken at the request of the Security Agent;
- **fifth**, *pari passu* and *pro rata*, in or towards payment to: (i) each Senior Agent in respect of all amounts then due and payable to itself and to the RCF and Guarantee Lenders, Additional Credit Facility Lenders and the arrangers under the Revolving Credit and Guarantee Facilities and Credit Facilities (as applicable) at such time; and (ii) to the Super Senior Hedging Banks in respect of Super Senior Hedging Agreements (generally, in proportion to each Super Senior Hedging Bank’s “super senior” hedging amount);
- **sixth**, *pari passu* and *pro rata*, in or towards payment to: (i) to the Senior Secured Notes Trustee (and/or the creditor representative of any Future Pari Passu Debt Creditors) for application towards any unpaid costs and expenses incurred by or on behalf of any holders of Senior Secured Notes; and (ii) the Future Pari Passu Debt Creditors in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Transaction Security Documents and the Intercreditor Agreement or any action taken at the request of the Security Agent;

- **seventh**, *pari passu* and *pro rata* to: (i) the Senior Secured Notes Trustee on behalf of the holders of the Senior Secured Notes for application towards the discharge of all Senior Secured Notes Liabilities; (ii) each creditor representative of the Future Pari Passu Debt Creditors it represents for application towards the discharge of all Future Pari Passu Debt Liabilities; and (iii) to the Pari Passu Hedging Banks in respect of amounts then due and payable under any Pari Passu Hedging Agreements;
- **eight**, (if such Transaction Security is expressed to secure the Future Senior Subordinated Debt Liabilities) *pari passu* and *pro rata* in or towards payment to each Future Senior Subordinated Debt Representative on behalf of the Future Senior Subordinated Creditors it represents for application towards all costs and expenses incurred by the Future Senior Subordinated Creditors in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the Transaction Security Documents and the Intercreditor Agreement or any action taken at the request of the Security Agent;
- **ninth**, (if such Transaction Security is expressed to secure the Future Senior Subordinated Debt Liabilities) *pari passu* and *pro rata* in or towards payment to each Future Senior Subordinated Debt Representative on behalf of the Future Senior Subordinated Creditors it represents for application towards the discharge of all Future Senior Subordinated Debt Liabilities; and
- **tenth**, after the date of discharge of all liabilities of the Primary Creditors, to any relevant Obligor or such other person as may be entitled thereto.

Disposals

Non-distressed Disposals

Generally, in circumstances where a disposal or certain other specified transactions (including mergers, reorganizations and other transactions) are not being effected pursuant to a “Distress Event” (as defined below) (a disposal effected pursuant to a Distress Event being a “Distressed Disposal”) and are otherwise permitted by the terms of the Indenture, the finance documents for the Pension Guarantee Facilities, any Additional Pension Facilities, Revolving Credit and Guarantee Facility, any Credit Facilities and any Future Pari Passu Debt and the Future Senior Subordinated Debt Documents, the Intercreditor Agreement provides that the Security Agent is authorized: (i) to release the Transaction Security (and in connection with such release, execute any related documents); and (ii) if the relevant asset consists of shares in the capital of an Obligor, to release the Transaction Security or any other claim in respect of the liabilities secured by the Transaction Security over the assets of that Obligor and the shares in and assets of any of its subsidiaries (and in connection with such release, execute any related documents).

Distressed Disposals

Where a Distressed Disposal of an asset is being effected, the Intercreditor Agreement provides that the Security Agent is authorized:

- to release the Transaction Security, or any other claim over the relevant asset;
- if the asset which is disposed of consists of shares in the capital of an Obligor, to release: (i) that Obligor and any subsidiary of that Obligor from all or any part of its “borrowing liabilities” and “guarantee liabilities” to Super Senior Creditors, the Super Senior Creditors, the Senior Secured Creditors, the Future Senior Subordinated Creditors, the Intragroup Lenders and the Shareholder Creditors (together, the “**Primary Liabilities**”) or “other liabilities” it may have to Shareholder Creditors, Intragroup Lenders or Obligors (together, the “**Other Liabilities**”); (ii) any Transaction Security granted by that Obligor or any subsidiary of that Obligor over any of its assets and any holding company of that Obligor over any shares, loans, claims or other rights in or against that Obligor; and (iii) any other claim of a Shareholder Creditor, Intragroup Lender, or another Obligor over that Obligor’s assets or over the assets of any subsidiary of that Obligor;
- if the asset which is disposed of consists of shares in the capital of any holding company of a Obligor, to release: (i) that holding company and any subsidiary of that holding company from all or any part of its Primary Liabilities and Other Liabilities; (ii) any Transaction Security granted by any subsidiary of that holding company over any of its assets and any holding company of that holding company over shares, loans, claims or other rights in or against that holding company and (iii) any other claim of a Shareholder Creditor, Intragroup Lender or another Obligor over the assets of any subsidiary of that holding company; and
- if the asset which is disposed of consists of shares in the capital of an Obligor or a holding company of an Obligor, to provide for (1) the transfer of liabilities to another Obligor and/or (2) at the discretion of the

Security Agent (provided that it is acting in accordance with the Security Enforcement Principles) the disposal, to third parties, of creditors' claims against that Obligor or holding company (which may include claims against the Issuer).

If a Distressed Disposal is being effected such that the claims of the holders of the Future Senior Subordinated Debt Liabilities and Transaction Security over shares in (and any shareholder loans to) the Issuer or assets of a guarantor of Future Senior Subordinated Debt Liabilities or the Issuer is released, it is a further condition to the release that either:

- (i) the Future Senior Subordinated Debt Representative has approved the release on the instructions of the requisite Future Senior Subordinated Debt Creditors (as determined under the relevant Future Senior Subordinated Debt Documents or, if not addressed thereunder, with the approval of at least a majority of such Future Senior Subordinated Debt Liabilities); or
- (ii) each of the following conditions are satisfied:
 - (A) the proceeds of such sale or disposal are in cash (or substantially in cash);
 - (B) all present and future obligations owed to the relevant secured parties under the Senior Debt finance documents by a member of the Group, all of whose shares are pledged under the Transaction Security are sold or disposed of pursuant to such Enforcement Action, are unconditionally released and discharged or sold or disposed of concurrently with such sale (and such obligations are not assumed by the purchaser or one of its affiliates), and all Transaction Security in respect of the assets that are sold or disposed of is simultaneously and unconditionally released concurrently with such sale; and
 - (C) such sale or disposal (including any sale or disposal of any claim) is made:
 - (I) pursuant to a public auction; or
 - (II) where an internationally recognized investment bank or an internationally recognized firm of accountants selected by the Security Agent has delivered an opinion in respect of such sale or disposal that the amount received in connection therewith is fair from a financial point of view taking into account all relevant circumstances including the method of enforcement and the circumstances giving rise to such sale, *provided* that the liability of such investment bank or internationally recognized firm of accountants in giving such opinion may be limited to the amount of its fees in respect of such engagement.

The net proceeds of a Distressed Disposal (and the net proceeds of any disposal of liabilities) shall be paid to the Security Agent (as the case may be) for application in accordance with the provisions set forth under “—*Application of Proceeds/Waterfall*” above as if those proceeds were the proceeds of an enforcement of the Transaction Security and, to the extent that any disposal of liabilities has occurred, as if the disposal of liabilities had not occurred.

Option to Purchase

Generally, subject to the following paragraph, following:

- (a) any notice that the Transaction Security has become enforceable; or
- (b) either (i) an acceleration of the Pension Guarantee Facility, any Additional Pension Guarantee Facility, the Revolving Credit and Guarantee Facilities, any Credit Facility, the Senior Secured Notes, the Future Pari Passu Debt or the Future Senior Subordinated Debt, or (ii) the enforcement of any Transaction Security (a “**Distress Event**”):
 - (A) the Super Senior Creditors shall have an option to purchase all (but not part) of the Pension Guarantee Facility Lenders' or Additional Pension Guarantee Facility Lenders' commitments under the Pension Guarantee Facility or Additional Pension Guarantee Facility (as applicable) at par plus accrued interest and all other amounts owing under the Pension Guarantee Facility or Additional Pension Guarantee Facility (as the case may be); and
 - (B) the holders of the Senior Secured Notes and Future Pari Passu Debt shall have an option to purchase all (but not part) of (1) of the Pension Guarantee Facility Lenders' or Additional Pension Guarantee Facility Lenders' commitments under the Pension Guarantee Facility or Additional Pension Guarantee Facility (as applicable) at par plus accrued interest and all other amounts owing under the Pension Guarantee Facility or Additional Pension Guarantee Facility (as the case may be) and (2) the RCF and

Guarantee Lenders' or Additional Credit Facility Lenders' commitments under the Revolving Credit and Guarantee Facilities or Credit Facility (as applicable) and all their exposures in respect of any Hedging Agreement in respect of Revolving Credit and Guarantee Facilities or Credit Facility (as applicable) at par plus accrued interest and all other amounts owing under the Revolving Credit and Guarantee Facilities or Credit Facility and Hedging Agreements (as the case may be).

Following any notice that the Transaction Security has become enforceable or a Distress Event, the holders of the Future Senior Subordinated Debt shall also have an option to purchase all (but not part) of the Senior Debt at par plus accrued interest and all other amounts owing in respect of such Senior Debt, with such purchase to occur all at the same time.

Governing law

The Intercreditor Agreement is governed by and construed in accordance with English law.

DESCRIPTION OF THE TEMPORARY NOTES

The Issuer will issue €100.0 million in aggregate principal amount of temporary Senior Secured Floating Rate Notes due 2025 (the “Temporary Notes”) under an indenture (the “Temporary Indenture”) dated as of the Issue Date, between, *inter alios*, the Issuer, Deutsche Trustee Company Limited, as trustee (the “Temporary Trustee”), and Deutsche Bank AG, London Branch, as security agent (the “Security Agent”) and as paying agent. The Temporary Indenture will not be qualified under, will not incorporate or include, by reference or otherwise, and will not be subject to, any of the provisions of the U.S. Trust Indenture Act of 1939, as amended. The Issuer will issue the Temporary Notes in minimum denominations of €100,000 and any integral multiple of €1,000 in excess thereof. The issue price of the Temporary Notes is 100.000% of the principal amount thereof, plus accrued interest, if any, from December 15, 2020 to, but excluding, the Issue Date. Interest on the Temporary Notes will accrue as described under “—Interest.”

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto under “Description of the Notes.”

Subject to certain conditions described herein, the Temporary Notes will be automatically exchanged (the “Temporary Notes Exchange”) for additional notes (the “Additional Notes”) (which will be established by way of supplemental indenture and additional global notes) in equal aggregate principal amount to be issued by the Issuer, the terms and conditions of which are more fully described in this offering memorandum under “Description of the Notes.” The Additional Notes will have the same terms as the Original Notes and will be treated as a single class together with the Original Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase. However, the Temporary Notes will trade separately from the Original Notes, will have different ISIN/common code numbers than the Original Notes and will not be fungible with the Original Notes.

The terms and conditions of the Temporary Notes include those stated in the Indenture and are substantially the same as the terms and conditions of the Original Notes, except:

- on or about the Completion Date after the Release, the Temporary Notes will be automatically exchanged for an equal aggregate principal amount of Additional Notes issued under the Indenture governing the Original Notes, which Additional Notes will have the same terms as the Original Notes and will be treated as a single class together with the Original Notes for all purposes under the Indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase;
- upon the Temporary Notes Exchange, the Temporary Notes will be cancelled;
- if the Fidelix Acquisition is not consummated for any reason on or prior to the Escrow Longstop Date or if certain other events occur, as described below, the Issuer will be required to redeem the Temporary Notes at a redemption price equal to 100% of the aggregate issue price of the Temporary Notes, plus accrued and unpaid interest and Additional Amounts from the Issue Date to, but excluding, the Special Mandatory Redemption Date (as defined below), if any;
- the Temporary Notes will not be guaranteed, and will not contain a covenant requiring Restricted Subsidiaries that guarantee other indebtedness of the Issuer or any Guarantor to guarantee, and provide security in respect of, the Temporary Notes;
- the Temporary Notes will be secured solely by a first-priority security interest over the Issuer’s interest in the Escrow Account;
- the Temporary Indenture will require an Asset Sale Offer to be made in respect of the Original Notes rather than the Temporary Notes;
- the Issuer may not issue any additional Temporary Notes under the Temporary Indenture unless the gross proceeds of such additional Temporary Notes are deposited in the Escrow Account;
- the security interest over the escrow account may only be enforced (a) upon the failure by the Issuer to consummate a Special Mandatory Redemption on the Special Mandatory Redemption Date as described below or (b) if the Lien purported to be granted over the Escrow Account in favor of the Temporary Trustee or the Security Agent for the benefit of the Holders of the Temporary Notes being held in any non-appealable judicial proceeding to be unenforceable or invalid;
- the amendments provisions of the Temporary Indenture will allow amendments, waivers and supplements to the Escrow Agreement to be made without the consent of any holder of Temporary Notes, except for amendments, waivers and supplements that would be adverse to the legal rights of holders of Temporary Notes in any material respect (as determined by the Issuer in good faith), which will require the consent of holders of a majority in aggregate principal amount of the Temporary Notes then outstanding; and

- the Temporary Notes will trade separately from the Original Notes, will have different ISIN/common code numbers than the Original Notes and will not be fungible with the Original Note. Application will be made to The International Stock Exchange Authority Limited (the “Authority”) for the separate listing of, and permission to deal in, the Temporary Notes on the Official List of The International Stock Exchange (the “Exchange”).

The supplemental indenture signed with respect to the Additional Notes shall set forth the requirements for the establishment of the guarantees and collateral set out under “*Description of the Notes—Guarantees*” and “*Description of the Notes—Security*.”

Interest

Interest on the Temporary Notes will accrue at a rate per annum (the “Applicable Rate”), reset quarterly, equal to the sum of (i) three-month EURIBOR (and if that rate is less than zero, EURIBOR shall be deemed to be zero) plus (ii) 5.0%, as determined by the calculation agent (the “Calculation Agent”), who shall initially be Deutsche Bank AG, London Branch. Interest on the Temporary Notes will:

- accrue from December 15, 2020;
- be payable quarterly in arrear on March 15, June 15, September 15 and December 15, commencing on March 15, 2021;
- be payable to the Holder of record of such Temporary Notes on the business day immediately preceding the related interest payment date; and
- be computed on the basis of a 360-day year and the actual number of days elapsed.

Set forth below is a summary of certain of the provisions from the Temporary Indenture relating to the calculation of interest on the Temporary Notes.

“Determination Date” means, with respect to an Interest Period, the day that is two TARGET Settlement Days preceding the first day of such Interest Period.

“EURIBOR” means, with respect to an Interest Period, the rate (expressed as a percentage per annum) for deposits in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date that appears on Reuters Page 248 as of 11:00 a.m. Brussels time, on the Determination Date. If Reuters Page 248 does not include such a rate or is unavailable on a Determination Date, the Issuer will request the principal London or Frankfurt office of each of four major banks in the euro-zone inter-bank market, as selected by the Issuer, to provide such bank’s offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the euro-zone inter-bank market for deposits in a Representative Amount in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Issuer will request that each of three major banks in London or Frankfurt, as selected by the Issuer, to provide such bank’s rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, for loans in a Representative Amount in euro to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period.

If the Issuer determines, prior to any Determination Date, that:

- (4) there has been a material disruption to EURIBOR;
- (5) EURIBOR is not available for use temporarily, indefinitely or permanently;
- (6) there are restrictions or prohibitions on the use of EURIBOR;
- (7) an alternative rate has replaced EURIBOR in customary market practice in the international capital markets applicable generally to floating rate notes; or
- (8) it has become unlawful for the Calculation Agent, the Issuer or a third party agent of the Issuer to calculate any payments due to Holders using EURIBOR (each, a “EURIBOR Phase-Out Event”),

a Rate Determination Agent, acting in good faith and in a commercially reasonable manner, shall select a successor rate to EURIBOR that is substantially comparable to EURIBOR or that has been recommended or selected by the relevant monetary authority or similar authority (or working group thereof) or by a widely

recognized industry association or body or that is expected to develop as an industry accepted rate for debt market instruments such as or comparable to the Notes, as more fully set forth in the Indenture (and any applicable adjustment spread required to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of EURIBOR (the “Adjustment Spread”)) for use in calculating the Applicable Rate (the “Successor Rate”), and the Issuer shall certify (by way of an Officer’s Certificate) to each of the Trustee, the Calculation Agent and the Paying Agent, at least five Business Days prior to any Determination Date, such Successor Rate (and the Adjustment Spread) (upon which each of the Trustee, the Calculation Agent and Paying Agent shall be entitled to rely conclusively and absolutely without further enquiry, investigation, verification or liability of any kind whatsoever), which shall be used by the Calculation Agent to calculate the Applicable Rate. Holders shall be bound by any such Successor Rate (and Adjustment Spread) without any further action or consent by the Holders or the Trustee. For the avoidance of doubt, the sum of the Successor Rate and the Adjustment Spread shall, in all cases, not be less than 0%. The Issuer shall promptly notify the Holders of the adoption of any Successor Rate (and Adjustment Spread). Following the adoption of any Successor Rate and Adjustment Spread, all references to “EURIBOR” in the Indenture shall be deemed to refer to such Successor Rate (and such Adjustment Spread).

“euro-zone” means the region comprising of the member states of the European Union at such time that use the euro as their official currency.

“Interest Period” means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period for the Temporary Notes shall commence on and include December 15, 2020 and end on and include March 14, 2021.

“Rate Determination Agent” means (a) an independent financial institution of international standing or an independent financial adviser of recognized standing (that is not an Affiliate of the Issuer) as appointed by the Issuer at the expense of the Issuer or (b) if it is not reasonably practicable to appoint a party as referred to under (a), the Issuer.

“Representative Amount” means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

“Reuters Page 248” means the display page so designated on Reuters (or such other page as may replace that page on that service, or, if no such page is available, such other service as may be nominated as the information vendor).

“TARGET Settlement Day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open for the settlement of payments in euro.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (Brussels time) on each Determination Date, determine the Applicable Rate and calculate the aggregate amount of interest payable in respect of the following Interest Period (the “Interest Amount”). The Interest Amount shall be calculated by applying the Applicable Rate to the aggregate principal amount of the Notes outstanding at the commencement of the Interest Period, multiplying such amount by the actual amounts of days in the Interest Period concerned divided by 360. All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g. 4.876545% (or .04876545) being rounded to 4.87655% (or .0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one half euro cent being rounded upwards). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, fraud or manifest error, be final and binding on all parties. In no event will the rate of interest on the Notes be higher than the maximum rate permitted by applicable law, *provided, however*, that the Calculation Agent shall not be responsible for verifying that the rate of interest on the Additional Notes is permitted under any applicable law.

Escrow of Proceeds; Special Mandatory Redemption

Concurrently with the closing of the Offering on the Issue Date, the Issuer will enter into the Escrow Agreement with the Temporary Trustee and the Escrow Agent, pursuant to which the Initial Purchasers will deposit with the Escrow Agent an amount equal to the gross proceeds of the Offering sold on the Issue Date into the Escrow Account. The Escrow Account, together with the Escrowed Property, will be pledged on a first-priority basis in

favor of the Temporary Trustee or the Security Agent for the benefit of the holders of the Temporary Notes, pursuant to an escrow account charge dated the Issue Date between the Issuer, the Escrow Agent and the Temporary Trustee (the “Escrow Account Charge”). The initial funds deposited in the Escrow Account, and all other funds, securities, interest, dividends, distributions and other property and payments credited to the Escrow Account (less any property and/or funds released in accordance with the Escrow Agreement) are referred to, collectively, as the “Escrowed Property.”

In order to cause the Escrow Agent to release the Escrowed Property to the Issuer (the “Release”), the Escrow Agent and the Temporary Trustee shall have received from the Issuer, at a time that is on or before the Escrow Longstop Date, an Officer’s Certificate, upon which both the Escrow Agent and the Temporary Trustee shall rely, without further investigation, to the effect that:

- the Fidelix Acquisition will be consummated promptly following release of the Escrowed Property;
- immediately after consummation of the Fidelix Acquisition, the Issuer will own, directly or indirectly, substantially all of the share capital of the Target (or other holding company of the Target Group);
- since the Issue Date, no material term or condition of the Fidelix Acquisition Agreement has been amended or waived in a manner or to an extent that would be materially prejudicial to the interests of the holders of the Temporary Notes (taken as a whole) under the Temporary Indenture (other than any amendment or waiver approved by holders of more than 50% of the outstanding principal amount of the Temporary Notes the proceeds of which are in the Escrow Account); and
- as at the date of such Officer’s Certificate, there is no Event of Default with respect to the Issuer under clause (5) of the first paragraph under the heading titled “*Description of the Notes—Events of Default*.”

The Release shall occur promptly upon the delivery of the Officer’s Certificate set forth above. Upon the Release, the balance of the Escrow Account shall be reduced to zero, and the Escrowed Property shall be released in accordance with the Escrow Agreement.

In the event that (a) the Release does not take place on or prior to September 3, 2021 (the “Escrow Longstop Date”), (b) in the reasonable judgment of the Issuer, the Fidelix Acquisition will not be consummated on or prior to the Escrow Longstop Date or the Issuer or one of its subsidiaries has announced its intention to abandon the Fidelix Acquisition, (c) the Fidelix Acquisition Agreement terminates at any time prior to the Escrow Longstop Date or (d) there is an Event of Default with respect to the Issuer under clause (5) of the first paragraph under the heading titled “*Description of the Notes—Events of Default*” (the date of any such event being the “Special Termination Date”), the Issuer will redeem all of the Temporary Notes (the “Special Mandatory Redemption”) at a price (the “Special Mandatory Redemption Price”) equal to 100% of the aggregate issue price of the Temporary Notes, plus accrued but unpaid interest and Additional Amounts, if any, from the Issue Date to, but excluding, the Special Mandatory Redemption Date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Notice of the Special Mandatory Redemption will be delivered by the Issuer, no later than one Business Day following the Special Termination Date, to the Temporary Trustee and the Escrow Agent, and will provide that the Temporary Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is given by the Issuer in accordance with the terms of the Escrow Agreement (the “Special Mandatory Redemption Date”). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each holder of the Temporary Notes the Special Mandatory Redemption Price for such holder’s Temporary Notes and, concurrently with the payment to such holders, deliver any excess Escrowed Property (if any) to the Issuer. If the aggregate Special Mandatory Redemption Price for all Temporary Notes to be redeemed in the Special Mandatory Redemption exceeds the amount of the Escrowed Property, the Issuer will be required to pay to the holders of the Temporary Notes any shortfall.

Security

To secure the payment of the Special Mandatory Redemption Price, on the Issue Date, the Issuer will grant to the Temporary Trustee or the Security Agent for the benefit of the holders of the Temporary Notes a first-priority security interest over the Escrow Account pursuant to the Escrow Charge.

Receipt by the Temporary Trustee of either an Officer's Certificate for the release or a notice of Special Mandatory Redemption (provided funds sufficient to pay the Special Mandatory Redemption Price are in the Escrow Account) shall constitute deemed consent by the Temporary Trustee for the release of the Escrowed Property from the Escrow Account Charge.

No provisions of the Escrow Agreement and, to the extent such provisions relate to the Issuer's obligation to redeem the Temporary Notes in a Special Mandatory Redemption, the Temporary Indenture, may be waived or modified in any manner materially adverse to the holders without the consent of holders of a majority of the outstanding Temporary Notes. By accepting a Temporary Note, each holder will be deemed to have agreed to be bound by the terms of the Escrow Agreement and have irrevocably authorized the Temporary Trustee to take all the actions set forth in the Escrow Agreement without the need for further direction from them under the Temporary Indenture.

The Escrow Agreement will be governed by, and construed in accordance with, the laws of England and Wales. The Escrow Charge will be governed by, and construed in accordance with, the laws of Sweden.

Listing

If at the time of such Special Mandatory Redemption, the Temporary Notes are listed on the Exchange and to the extent that the rules and regulations of the Authority so require, the Issuer will notify the Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

DESCRIPTION OF THE NOTES

You will find definitions of certain capitalized terms used in this “*Description of the Notes*” under the heading “Certain Definitions.” For purposes of this “*Description of the Notes*,” references to “we,” “our,” and “us” refer to the Issuer and its subsidiaries and references to the “Issuer” refer to Assemblin Financing AB.

Upon the exchange of the Temporary Notes as described in “*Description of the Temporary Notes*,” the Issuer will issue €100.0 million aggregate principal amount of Additional Senior Secured Floating Rate Notes due 2025 (the “Additional Notes”). The Issuer will issue the Additional Notes under an indenture dated December 6, 2019 (the “Indenture”), between, *inter alios*, the Issuer, Deutsche Trustee Company Limited, as trustee (the “Trustee”), and Deutsche Bank AG, London Branch, as security agent (the “Security Agent”) and as paying agent pursuant to which the Issuer issued €250.0 million aggregate principal amount of Senior Secured Floating Rate Notes due 2025 (the “Original Notes” and, together with the Additional Notes, the “Notes”). The Additional Notes will vote as a single class with the Original Notes for all purposes under the Indenture (including waivers, amendments, redemptions and offers to purchase).

The Indenture has not been qualified under, does not incorporate or include, by reference or otherwise, and is not subject to, any of the provisions of the U.S. Trust Indenture Act of 1939, as amended.

The proceeds of the offering of the Temporary Notes sold on the Issue Date (and exchanged on or about the Completion Date for an equal aggregate principal amount of Additional Notes) will be used to pay the cash consideration for the Target in connection with the Fidelix Acquisition, to pay transaction costs associated with the Transactions and to fund cash on balance sheet, including potential acquisitions, as set forth in the Offering Memorandum under the caption “*Use of Proceeds*.”

The Indenture is unlimited in aggregate principal amount, of which €100.0 million aggregate principal amount of Additional Notes will be issued in this Offering and €250.0 million was issued as the Original Notes on the Original Notes Issue Date. We may, subject to applicable law, issue an unlimited principal amount of subsequent additional Notes having identical terms and conditions as the Notes (the “Subsequent Additional Notes”); provided that, if the Subsequent Additional Notes are not fungible with either the Original Notes or the Additional Notes for U.S. federal income tax purposes, such Subsequent Additional Notes will be issued with a separate ISIN code or common code, as applicable, from the Original Notes or the Additional Notes, as applicable. We will only be permitted to issue Subsequent Additional Notes in compliance with the covenants contained in the Indenture, including the covenant restricting the Incurrence of Indebtedness (as described below under “—*Certain Covenants—Limitation on Indebtedness*”). Except with respect to right of payment and optional redemption, and as otherwise provided for in the Indenture, the Additional Notes issued in this Offering, the Original Notes and, if issued, any Subsequent Additional Notes, will be treated as a single class for all purposes under the Indenture, including, without limitation, with respect to waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, in this “*Description of the Notes*,” references to the “Notes” include the Original Notes, the Additional Notes and any Subsequent Additional Notes that are actually issued.

The Indenture is subject to the terms of the Intercreditor Agreement and will be subject to any Additional Intercreditor Agreements (each as defined below). The terms of the Intercreditor Agreement are important to understanding the terms and ranking of the Liens on the Collateral securing the Notes. See “*Description of Certain Financing Arrangements—Intercreditor Agreement*” for a description of the material terms of the Intercreditor Agreement.

This “*Description of the Notes*” is intended to be an overview of the material provisions of the Notes, the Indenture and the Security Documents, and it refers to certain provisions of the Intercreditor Agreement. Since this description of the terms of the Notes is only a summary, you should refer to the Notes, the Indenture, the Intercreditor Agreement and the Security Documents for complete descriptions of the obligations of the Issuer and your rights. Copies of the Indenture are available from us upon request.

The registered Holder of a Note will be treated as the owner of it for all purposes. Only registered Holders will have rights under the Indenture, including, without limitation, with respect to enforcement and the pursuit of other remedies. The Notes have not been, and will not be, registered under the Securities Act and are subject to certain transfer restrictions.

General

The Notes

The Additional Notes will:

- be general senior obligations of the Issuer;
- be secured as set forth under “—*Security*,” on a *pari passu* basis with the interests granted in favor of the Super Senior Facilities and the Original Notes, except that Holders of the Notes will receive proceeds from enforcement of the Collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Super Senior Facilities (which includes the Pension Guarantee Facility and the Guarantee Facilities) and certain Hedging Obligations (if any), have been repaid in full;
- rank *pari passu* in right of payment with any existing and future indebtedness of the Issuer that is not subordinated in right of payment to the Additional Notes, including Indebtedness under the Super Senior Facilities and the Original Notes;
- rank senior in right of payment to any existing and future Indebtedness of the Issuer that is expressly subordinated in right of payment to the Additional Notes;
- be effectively subordinated to any existing or future Indebtedness or obligation (including obligations to trade creditors) of the Issuer and its Subsidiaries that is secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such Indebtedness; and
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the Issuer that are not Guarantors, including obligations owed to trade creditors.

The Guarantees

Each Guarantee of a Guarantor in respect of the Additional Notes will:

- be general senior obligations of the applicable Guarantor;
- be secured as set forth under “—*Security*,” on a *pari passu* basis with the interests granted in favor of the Super Senior Facilities and the Original Notes, except that Holders of the Notes will receive proceeds from enforcement of the Collateral and certain distressed disposals only after any obligations secured on a super-priority basis, including obligations under the Super Senior Facilities (which includes the Pension Guarantee Facility and the Guarantee Facilities) and certain Hedging Obligations (if any), have been repaid in full;
- rank *pari passu* in right of payment with any existing and future indebtedness of the applicable Guarantor that is not subordinated in right of payment to the applicable Guarantee, including Indebtedness under the Super Senior Facilities and the Original Notes;
- rank senior in right of payment to any existing and future Indebtedness of the applicable Guarantor that is expressly subordinated in right of payment to the applicable Guarantee;
- be effectively subordinated to any existing or future Indebtedness or obligation (including obligations to trade creditors) of the applicable Guarantor that is secured by property or assets that do not secure the applicable Guarantee, to the extent of the value of the property and assets securing such Indebtedness;
- be structurally subordinated to any existing or future Indebtedness of the Subsidiaries of the applicable Guarantor that do not Guarantee the Notes; and
- be subject to the limitations described herein and in “*Risk Factors—Risks Related to the Notes and the Collateral—The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*” and “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests.*”

Principal and Maturity

The Issuer will issue €100.0 million in aggregate principal amount of Temporary Notes on the Issue Date, which will be automatically exchanged for Additional Notes on or about the Completion Date. The Additional Notes will mature on May 15, 2025. The Additional Notes will be issued in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof.

Interest

Interest on the Additional Notes will accrue at a rate per annum (the “Applicable Rate”), reset quarterly, equal to the sum of (i) three-month EURIBOR (and if that rate is less than zero, EURIBOR shall be deemed to be zero) plus (ii) 5.0%, as determined by the calculation agent (the “Calculation Agent”), who shall initially be Deutsche Bank AG, London Branch. Interest on the Additional Notes will:

- accrue from December 15, 2020;
- be payable quarterly in arrear on March 15, June 15, September 15 and December 15, commencing on March 15, 2021;
- be payable to the Holder of record of such Additional Notes on the business day immediately preceding the related interest payment date; and
- be computed on the basis of a 360-day year and the actual number of days elapsed.

Set forth below is a summary of certain of the provisions from the Indenture relating to the calculation of interest on the Notes.

“Determination Date” means, with respect to an Interest Period, the day that is two TARGET Settlement Days preceding the first day of such Interest Period.

“EURIBOR” means, with respect to an Interest Period, the rate (expressed as a percentage per annum) for deposits in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date that appears on Reuters Page 248 as of 11:00 a.m. Brussels time, on the Determination Date. If Reuters Page 248 does not include such a rate or is unavailable on a Determination Date, the Issuer will request the principal London or Frankfurt office of each of four major banks in the euro-zone inter-bank market, as selected by the Issuer, to provide such bank’s offered quotation (expressed as a percentage per annum) as of approximately 11:00 a.m., Brussels time, on such Determination Date, to prime banks in the euro-zone inter-bank market for deposits in a Representative Amount in euro for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such offered quotations are so provided, the rate for the Interest Period will be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, the Issuer will request that each of three major banks in London or Frankfurt, as selected by the Issuer, to provide such bank’s rate (expressed as a percentage per annum), as of approximately 11:00 a.m., London time, on such Determination Date, for loans in a Representative Amount in euro to leading European banks for a three-month period beginning on the day that is two TARGET Settlement Days after the Determination Date. If at least two such rates are so provided, the rate for the Interest Period will be the arithmetic mean of such rates. If fewer than two such rates are so provided, then the rate for the Interest Period will be the rate in effect with respect to the immediately preceding Interest Period.

If the Issuer determines, prior to any Determination Date, that:

- (1) there has been a material disruption to EURIBOR;
- (2) EURIBOR is not available for use temporarily, indefinitely or permanently;
- (3) there are restrictions or prohibitions on the use of EURIBOR;
- (4) an alternative rate has replaced EURIBOR in customary market practice in the international capital markets applicable generally to floating rate notes; or
- (5) it has become unlawful for the Calculation Agent, the Issuer or a third party agent of the Issuer to calculate any payments due to Holders using EURIBOR (each, a “EURIBOR Phase-Out Event”),

a Rate Determination Agent, acting in good faith and in a commercially reasonable manner, shall select a successor rate to EURIBOR that is substantially comparable to EURIBOR or that has been recommended or selected by the relevant monetary authority or similar authority (or working group thereof) or by a widely recognized industry association or body or that is expected to develop as an industry accepted rate for debt market instruments such as or comparable to the Notes, as more fully set forth in the Indenture (and any applicable adjustment spread required to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of EURIBOR (the “Adjustment Spread”)) for use in calculating the Applicable Rate (the “Successor Rate”), and the Issuer shall certify (by way of an Officer’s Certificate) to each of the Trustee, the Calculation Agent and the Paying Agent, at least five Business Days prior to any Determination Date, such Successor Rate (and the

Adjustment Spread) (upon which each of the Trustee, the Calculation Agent and Paying Agent shall be entitled to rely conclusively and absolutely without further enquiry, investigation, verification or liability of any kind whatsoever), which shall be used by the Calculation Agent to calculate the Applicable Rate. Holders shall be bound by any such Successor Rate (and Adjustment Spread) without any further action or consent by the Holders or the Trustee. For the avoidance of doubt, the sum of the Successor Rate and the Adjustment Spread shall, in all cases, not be less than 0%. The Issuer shall promptly notify the Holders of the adoption of any Successor Rate (and Adjustment Spread). Following the adoption of any Successor Rate and Adjustment Spread, all references to “EURIBOR” in the Indenture shall be deemed to refer to such Successor Rate (and such Adjustment Spread).

“euro-zone” means the region comprising of the member states of the European Union at such time that use the euro as their official currency.

“Interest Period” means the period commencing on and including an interest payment date and ending on and including the day immediately preceding the next succeeding interest payment date, with the exception that the first Interest Period for the Additional Notes shall commence on and include December 15, 2020 and end on and include March 14, 2021.

“Rate Determination Agent” means (a) an independent financial institution of international standing or an independent financial adviser of recognized standing (that is not an Affiliate of the Issuer) as appointed by the Issuer at the expense of the Issuer or (b) if it is not reasonably practicable to appoint a party as referred to under (a), the Issuer.

“Representative Amount” means the greater of (i) €1,000,000 and (ii) an amount that is representative for a single transaction in the relevant market at the relevant time.

“Reuters Page 248” means the display page so designated on Reuters (or such other page as may replace that page on that service, or, if no such page is available, such other service as may be nominated as the information vendor).

“TARGET Settlement Day” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open for the settlement of payments in euro.

The Calculation Agent shall, as soon as practicable after 11:00 a.m. (Brussels time) on each Determination Date, determine the Applicable Rate and calculate the aggregate amount of interest payable in respect of the following Interest Period (the “*Interest Amount*”). The Interest Amount shall be calculated by applying the Applicable Rate to the aggregate principal amount of the Notes outstanding at the commencement of the Interest Period, multiplying such amount by the actual amounts of days in the Interest Period concerned divided by 360. All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred thousandth of a percentage point, with five one-millionths of a percentage point being rounded upwards (e.g. 4.876545% (or .04876545) being rounded to 4.87655% (or .0487655)). All euro amounts used in or resulting from such calculations will be rounded to the nearest euro cent (with one half euro cent being rounded upwards). The determination of the Applicable Rate and the Interest Amount by the Calculation Agent shall, in the absence of willful default, fraud or manifest error, be final and binding on all parties. In no event will the rate of interest on the Notes be higher than the maximum rate permitted by applicable law, *provided, however*, that the Calculation Agent shall not be responsible for verifying that the rate of interest on the Additional Notes is permitted under any applicable law.

The rights of Holders to receive the payments of interest on such Notes are subject to applicable procedures of Euroclear and Clearstream. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

Methods of Receiving Payments on the Notes

Principal, interest and premium, if any, on the Global Notes (as defined below) will be payable at the specified office or agency of one or more Paying Agents; *provided* that all such payments with respect to the Notes represented by one or more Global Note registered in the name of or held by a nominee of a common depository for Euroclear and Clearstream, as applicable, will be made by wire transfer of immediately available funds to the account specified by the Holder or Holders thereof.

Principal, interest, premium and Additional Amounts if any, on any certificated securities (“*Definitive Registered Notes*”) will be payable at the specified office or agency of one or more Paying Agents maintained for such purposes. In addition, interest on the Definitive Registered Notes may be paid by check mailed to the person entitled thereto as shown on the register for the Definitive Registered Notes. See “—*Paying Agent and Registrar for the Notes*.”

Paying Agent and Registrar for the Notes

The Issuer will maintain one or more Paying Agents for the Notes. The Initial Paying Agent is Deutsche Bank AG, London Branch (the “Paying Agent”).

The Issuer will also maintain a registrar (the “Registrar”) and a transfer agent (the “Transfer Agent”). The initial Registrar and Transfer Agent is Deutsche Bank Luxembourg S.A. The Registrar and Transfer Agent will maintain a register reflecting ownership of the Notes outstanding from time to time, if any, and will make payments on and facilitate transfers of the Notes on behalf of the Issuer.

The Issuer may change any Paying Agents, Registrars or Transfer Agents for the Notes without prior notice to the Holders of such Notes. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar in respect of the Notes.

Guarantees

Upon the Temporary Notes Exchange, the obligations of the Issuer pursuant to the Additional Notes, including any payment obligation resulting from a Change of Control, will (subject to the Agreed Security Principles) be guaranteed, jointly and severally on a senior basis, by each Subsidiary of the Issuer that is a guarantor under the Pension Guarantee Facility and the Super Senior Facilities, including Assemblin Holding AB, Assemblin AB, Assemblin Sweden AB, Assemblin Holding AS, Assemblin EI AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin AS and Assemblin Installation AB (the “Initial Guarantors”). As of and for the twelve months ended September 30, 2020, the Initial Guarantors represented 90% of our net revenues, 88% of our EBITDA and over 100% of our assets (other than goodwill and shares in subsidiaries), in each case, calculated on a stand-alone basis without giving effect to intergroup eliminations.

The obligations of the Guarantors will be contractually limited under the applicable Guarantees to reflect limitations under applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners. For a description of such contractual limitations, see “*Risk Factors—Risks Related to the Notes and the Collateral—The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*,” “—*The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*” and “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*.”

A significant portion of the operations of the Issuer will be conducted through its Restricted Subsidiaries. Claims of creditors of non-Guarantor Restricted Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Restricted Subsidiaries, and claims of preferred and minority stockholders (if any) of those Restricted Subsidiaries generally will have priority with respect to the assets and earnings of those Restricted Subsidiaries over the claims of creditors of the Issuer and the Guarantors, including Holders of the Notes. The Notes and each Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of Restricted Subsidiaries of the Issuer (other than the Guarantors). For the twelve months ended September 30, 2020, our Non-Guarantor Restricted Subsidiaries represented approximately 10% of our net revenues, 12% of our EBITDA and none of our assets (other than goodwill and shares in subsidiaries), in each case, calculated on a stand-alone basis without giving effect to intergroup eliminations. On an as adjusted basis after giving effect to the Transactions as of September 30, 2020, the Restricted Subsidiaries of the Issuer that will not guarantee the Notes would have had less than SEK 10 million outstanding financial indebtedness. Although the Indenture limits the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions. Moreover, the Indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See “—*Certain Covenants—Limitation on Indebtedness*.”

In addition, as described below under “*Certain Covenants—Future Guarantees*” and subject to the Intercreditor Agreement and the Agreed Security Principles, each Restricted Subsidiary that guarantees the Pension Guarantee Facility, the Super Senior Facilities, Public Debt or certain other indebtedness shall also enter into a supplemental indenture as a Guarantor of the Notes.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Pension Guarantee Facility, the Super Senior Facilities and the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules, retention of title claims and similar principles.

Each Guarantee will be limited to the maximum amount that would not render the Guarantor’s obligations subject to avoidance under applicable fraudulent conveyance provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law, or as otherwise required under the Agreed Security Principles to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor’s obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee. See “*Risk Factors—Risks Related to the Notes and the Collateral—The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*,” “*—The Notes Guarantees and the Collateral securing the Notes will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defenses that may limit their validity and enforceability*” and “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*.”

The Guarantee of a Guarantor will terminate and release as described under “*Certain Covenants—Release of the Guarantees*.”

Transfer and Exchange

The Additional Notes will be issued in the form of several registered notes in global form without interest coupons, as follows:

- Additional Notes sold within the United States to qualified institutional buyers pursuant to Rule 144A under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “144A Global Notes”). The 144A Global Notes will, on or about the Completion Date, be deposited with and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.
- Additional Notes sold outside the United States pursuant to Regulation S under the Securities Act will initially be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Global Notes” and, together with the 144A Global Notes, the “Global Notes”). The Regulation S Global Note will, on or about the Completion Date, be deposited with and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

Ownership of interests in the Global Notes (“*Book-Entry Interests*”) will be limited to persons that have accounts with Euroclear and Clearstream or persons that may hold interests through such participants.

Ownership of interests in the Book-Entry Interests and transfers thereof will be subject to the restrictions on transfer and certification requirements summarized below and described more fully under the section “*Offering and Transfer Restrictions*” in the Offering Memorandum. In addition, transfers of Book-Entry Interests between participants in Euroclear or participants in Clearstream will be effected by Euroclear and Clearstream pursuant to customary procedures and subject to the applicable rules and procedures established by Euroclear or Clearstream and their respective participants.

Book-Entry Interests in the 144A Global Notes (the “144A Book-Entry Interests”) relating to the Additional Notes may be transferred to a person who takes delivery in the form of Book-Entry Interests in the Regulation S Global Notes (the “Regulation S Book-Entry Interests”) relating to the Additional Notes denominated in the same currency only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S under the Securities Act.

Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of 144A Book-Entry Interests only upon delivery by the transferor of a written certification (in the form provided in the

Indenture) to the effect that such transfer is being made to a person who the transferor reasonably believes is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under the section “*Offering and Transfer Restrictions*” in the Offering Memorandum and in accordance with any applicable securities law of any other jurisdiction.

Any Book-Entry Interest that is transferred as described in the immediately preceding paragraphs will, upon transfer, cease to be a Book-Entry Interest in the Global Note from which it was transferred and will become a Book-Entry Interest in the Global Note to which it was transferred. Accordingly, from and after such transfer, it will become subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in the Global Note to which it was transferred.

If Definitive Registered Notes are issued, they will be issued only in minimum denominations of €100,000 principal amount, and integral multiples of €1,000 in excess thereof, upon receipt by the Registrar of instructions relating thereto and any certificates, opinions and other documentation required by the Indenture. It is expected that such instructions will be based upon directions received by Euroclear or Clearstream, as applicable, from the participant which owns the relevant Book-Entry Interests. Definitive Registered Notes issued in exchange for a Book-Entry Interest will, except as set forth in the Indenture or as otherwise determined by the Issuer in compliance with applicable law, be subject to, and will have a legend with respect to, the restrictions on transfer summarized below and described more fully under the section “*Offering and Transfer Restrictions*” in the Offering Memorandum.

Subject to the restrictions on transfer referred to above, Notes issued as Definitive Registered Notes may be transferred or exchanged, in whole or in part, in minimum denominations of €100,000 in principal amount and integral multiples of €1,000 in excess thereof. In connection with any such transfer or exchange, the Indenture will require the transferring or exchanging Holder to, among other things, furnish appropriate endorsements and transfer documents, to furnish information regarding the account of the transferee at Euroclear or Clearstream, where appropriate, to furnish certain certificates and opinions, and to pay any Taxes in connection with such transfer or exchange. Any such transfer or exchange will be made without charge to the Holder, other than any Taxes payable in connection with such transfer.

Notwithstanding the foregoing, the Issuer is not required to register the transfer or exchange of any Definitive Registered Notes:

- (1) for a period of 15 days prior to any date fixed for the redemption of the Notes;
- (2) for a period of 15 days immediately prior to the date fixed for selection of Notes to be redeemed in part;
- (3) for a period of 15 days prior to the record date with respect to any interest payment date; or
- (4) which the Holder has tendered (and not withdrawn) for repurchase in connection with a Change of Control Offer or an Asset Disposition Offer.

The Issuer, the Trustee, the Paying Agents, the Transfer Agent and the Registrar will be entitled to treat the Holder of a Note as the owner of it for all purposes.

Restricted Subsidiaries and Unrestricted Subsidiaries

As of the Issue Date, all of the Issuer’s Subsidiaries will be “Restricted Subsidiaries” for purposes of the Indenture. However, under the circumstances described below under “—*Certain Definitions—Unrestricted Subsidiary*,” the Issuer will be permitted to designate certain of its Subsidiaries as “Unrestricted Subsidiaries.” Unrestricted Subsidiaries will not be subject to any of the restrictive covenants in the Indenture.

Security

General

The Original Notes are, and upon the Temporary Notes Exchange, the Additional Notes will be, secured, subject to the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, by security interests granted on an equal and ratable first-priority basis over:

- the issued Capital Stock of the Issuer (the “Issuer Share Pledge”);
- the issued Capital Stock of the Initial Guarantors;

- certain long-term material intra-Group loans (in respect of which the Issuer or an Initial Guarantor is a creditor), with a final maturity date or intended tenor in excess of 12 months and with a principal amount in excess of €10 million (or its equivalent in other currencies) in aggregate to a member of the Group as debtor (if any);
- existing and future shareholder loans owed by the Issuer to the Parent, any Shareholder Creditor (as defined in the Intercreditor Agreement) or any Sponsor Affiliate (as defined in the Intercreditor Agreement) (if any), provided, however, that in respect of the pledge agreement entered into on or before the Original Issue Date in respect of future shareholder loans, only the Parent entered into such pledge agreement and each Shareholder Creditor and/or Sponsor Affiliate shall only enter into such pledge agreement prior to granting any shareholder loans to the Issuer;
- the Issuer's and the Initial Guarantors' material operating bank accounts (but excluding any escrow, cash collateral, blocked and pooling accounts, accounts in connection with any receivables financing (including discounting or factoring or similar), any guarantee or letter of credit financing, or similar) (if any); and
- certain business mortgages (not resulting in stamp duties or similar) in the Initial Guarantors, (together, the "Completion Date Collateral").

Within 60 Business Days of the Completion Date, the Notes will be secured, subject to the Agreed Security Principles, certain perfection requirements and any Permitted Collateral Liens, by Security Interests granted on an equal and ratable first-priority basis over the issued Capital Stock of the Target (together with the Completion Date Collateral, the "Collateral").

Subject to certain conditions, including compliance with the covenants described under "*Certain Covenants—Impairment of Security Interest*" and "*Certain Covenants—Limitation on Liens*," the Issuer and its Restricted Subsidiaries are permitted to grant security over the Collateral in connection with future issuances of Indebtedness or Indebtedness of the Restricted Subsidiaries, including any Subsequent Additional Notes issued by the Issuer as permitted under the Indenture and the Intercreditor Agreement. See "*Risk Factors—Risks Related to the Notes and the Collateral*."

Any other security interests that may in the future be granted to secure obligations under the Notes, any Guarantee and the Indenture would also constitute "Collateral." All Collateral will be subject to the operation of the Agreed Security Principles and any Permitted Collateral Liens.

Notwithstanding the foregoing and the provisions of the covenant described below under "*Certain Covenants—Future Guarantees*," certain property, rights and assets may not be pledged, and any pledge over property, rights and assets may be limited (or the Liens not perfected), in accordance with the Agreed Security Principles. Pursuant to the Agreed Security Principles, a guarantee or security may not be given, or may be limited. The following is a non-exhaustive summary of certain terms of the Agreed Security Principles which include, among others:

- general legal and statutory limitations, financial assistance, capital maintenance, corporate benefit, fraudulent preference, "interest stripping," "controlled foreign corporation," thin capitalization rules, retention of title claims, employee consultation or approval requirements and similar principles may limit the ability of the Issuer and its Restricted Subsidiaries (collectively, the "*Group*") to provide a Guarantee or security or may require that the Guarantee or security be limited by an amount or otherwise. If any such limit applies, the Guarantees and security provided will be limited to the maximum amount which the relevant member of the Group may provide having regard to applicable law (including any jurisprudence) and subject to fiduciary duties of management;
- the giving of a Guarantee, the granting and the terms of security or the perfection of the security granted will not be required to the extent that the Group would incur any legal fees, registration fees, notary fees, stamp duty, taxes and any other fees or costs directly associated with such security or Guarantee which are disproportionate to the benefit obtained by the secured parties or having regard to the extent of the obligations which can be guaranteed or secured by that security and the priority that will be offered by taking or perfecting the security;
- where there is material incremental cost involved in creating security over all assets owned by the Issuer or any Guarantor in a particular category the principle stated in the previous bullet above shall apply and, subject to the Agreed Security Principles, only the material assets in that category shall be subject to security;

- in certain jurisdictions, it may be either impossible, impractical or disproportionately costly to grant Guarantees or create security over certain categories of assets in which event such Guarantees will not be granted and security will not be taken over such assets;
- certain supervisory board, works council, regulator or regulatory board (or equivalent), or another external body's or person's consent may be required to enable a member of the Group to provide a guarantee or security. Such guarantee and/or security shall not be required unless such consent has been received provided that reasonable endeavors have been used by the relevant member of the Group to obtain the relevant consent (in each case if the security agent, taking into account the Issuer's view on any potential impact on relationships with third parties, reasonably requests the Issuer to do so);
- any assets subject to legal requirements, licenses or any other third-party arrangements (including, without limitation, any trade receivables) which may prevent those assets from being charged (or assets which, if charged, would give a third party the right to terminate or otherwise amend any rights, benefits and/or obligations of the Group in respect of those assets or require any member of the Group to take any action materially adverse to the interests of the Group or any member thereof) will be excluded from any relevant Security Document provided that, if the relevant asset is material and the Issuer determines (acting in good faith) that such endeavors will not jeopardize commercial relationships with third parties, the relevant member of the Group will use commercially reasonable endeavors to obtain any necessary consent or waiver; provided that, notwithstanding the foregoing, no security shall be required over (and no consent or waiver request submitted with respect to) assets which are required to support indebtedness assumed in connection with an acquisition to the extent permitted by the terms of the Notes Documents to remain outstanding following an acquisition ("*Assumed Acquisition Indebtedness*") and no member of the target group acquired pursuant to an acquisition where Assumed Acquisition Indebtedness remains outstanding following completion of such permitted acquisition shall be required to become a Guarantor or grant security with respect to the Notes Documents if prevented by the terms of the documentation governing such Assumed Acquisition Indebtedness;
- members of the Group will not be required to give Guarantees or enter into Security Documents if it is not within the legal capacity of the relevant members of the Group or if the same would conflict with the fiduciary duties of those directors or contravene any legal prohibition, bona fide contractual restriction or regulatory condition or result in (or in a material risk of) personal or criminal liability on the part of any Officer or result in any significant risk of legal liability for the directors of any Group company, provided that the relevant member of the Group shall use reasonable endeavors to overcome such obstacle;
- additional guarantee limitation provisions may be included in any supplemental indenture if required by any Officer of any member of the Group in connection with the granting of a Guarantee in order to protect that Officer from potential liability or other legal risk;
- the terms of the security should not be such that they materially restrict the running of the business of or materially adversely affect the tax arrangements of the relevant member of the Group in the ordinary course as otherwise permitted by the Notes Documents;
- perfection of security, when required, and other legal formalities will be completed as soon as practicable and, in any event, within the time periods specified in the Notes Documents therefor or (if earlier or to the extent no such time periods are specified in the Notes Documents) within the time periods specified by applicable law in order to ensure due perfection. The giving of guarantee, the granting of security or the perfection of security interests granted will not be required if it would have a material adverse effect on the ability of the relevant Guarantor to conduct its operations and business in the ordinary course as otherwise permitted by the Notes Documents (and any requirement under the Agreed Security Principles to seek consent of any person or take or not take any other action shall be subject to this paragraph);
- access to the assets of a Guarantor and the maximum guaranteed or secured amount may be restricted or limited to minimize stamp duty, notarization, registration or other applicable fees, taxes and duties where the benefit of increasing the Guarantee or secured amount is disproportionate to the level of such fees, taxes and duties (and in any event the maximum aggregate amount payable by the Group in respect of fees, costs, expenses, disbursements and VAT relating to the provision of guarantees and security shall be limited to an amount to be agreed between the security agent and the Issuer);
- no perfection action will be required in jurisdictions where the Issuer or a Guarantor is not located; provided, however, that perfection actions may be required in the jurisdiction of one Guarantor in relation to security granted by another Guarantor in a different jurisdiction;
- guarantees and security will not be required from or over, or over the assets of, any joint venture or similar arrangement or any minority interest;

- where a class of assets to be secured includes material and immaterial assets, if the cost of granting security over the immaterial assets is disproportionate to the benefit of such security, security will be granted over the material assets only;
- any member of the Group which is not (directly or indirectly) a wholly owned Subsidiary of the Issuer (a “Non-Wholly Owned Subsidiary”) shall not be required to become a Guarantor to the extent the Issuer is unable to procure (after using its reasonable commercial endeavors) that any such person becomes a Guarantor hereunder due to the opposition of the minority shareholders and financial assistance restrictions;
- no security shall be required to be given to the extent to do so, in the case of a Non-Wholly Owned Subsidiary, would breach any restriction contained in a shareholders’ agreement and all reasonable steps have been taken to avoid or remove that restriction and in any event security shall only be granted, subject to the other provisions of the Agreed Security Principles over the shares in a Non-Wholly Owned Subsidiary which are owned by the relevant member of the Group;
- no security (other than floating security) will be required to be taken over fixed assets, parts, stock, moveable plant or equipment, trade receivables, intellectual property rights or real estate (other than where such security may be granted under local law pursuant to a “floating charge” or all assets Security Document without material cost to the relevant Guarantor), and no security will be required over hedging agreements;
- no security shall be required to be given over any escrow, cash collateral, blocked and pooling accounts, accounts connected with any Bank Products, any receivables financing (including Qualified Receivables Financing, discounting or factoring or similar), any guarantee or letter of credit financing, or similar), or any accounts which are not material operating bank accounts;
- no Guarantee or security shall Guarantee or secure any “Excluded Swap Obligations” defined in accordance with the LSTA Market Advisory Update dated February 15, 2013 entitled “Swap Regulations’ Implications for Loan Documentation,” and any update thereto by the LSTA;
- no member of the Group will be required to create security over or otherwise encumber any Restricted Asset (as defined below) (including, without limitation, any bank accounts which contain or are reasonably likely to contain any Restricted Assets); and
- no guarantees or security shall be required to be provided where to do so would be contrary to applicable law or the provisions of the Agreed Security Principles. By virtue of the operation of the Agreed Security Principles, guarantees and security may be given to, for the benefit of, or in respect of, certain secured parties and certain liabilities which may not be given to, for the benefit of, or in respect of, other secured parties and other liabilities (which may include the Notes).

For the purposes of the foregoing paragraph, “Restricted Asset” means:

- the regulatory capital that a regulated entity is required to maintain pursuant to any applicable law or regulation or the views, guidance or interpretation of any relevant regulator;
- the settlement cash balances of that regulated entity and any other cash held by or on behalf of that regulated entity for merchants, card schemes, cardholders of any card scheme, banks, financial institutions or other similar entity or person;
- any amounts held by or on behalf of that regulated entity in segregated funds under the Payment Services Directive (PSD, 2007/64/EC) (or any relevant local implementing regulation or legislation) for merchants or other payment service users or payment service providers or card schemes, cardholders of any card scheme, banks, financial institutions or other similar entity or person;
- any sums receivable by or on behalf of that regulated entity from or under any card scheme, bank, financial institution or other similar entity or person for onward transmission or remittance to a merchant;
- any sums receivable by or on behalf of that regulated entity from a merchant for onward transmission or remittance to a card scheme bank, financial institution or other similar entity or person; and
- any right, title or interest of that regulated entity in or under any letter of credit, guarantee, cash collateral or other financial support or security provided by a bank, financial institution or other similar entity (or an affiliate thereof) for its account to any card scheme counterparty.

As described above, all of the Collateral also secures or will secure, as applicable, the liabilities under the Super Senior Facilities, as well as certain future Hedging Obligations and any Subsequent Additional Notes and may

also secure certain future indebtedness; *provided, however*, that the lenders under the Super Senior Facilities and counterparties to certain future Hedging Obligations, will receive the proceeds from the enforcement of the Collateral in priority to the Holders of the Notes and any Subsequent Additional Notes. See “—Priority.” See also, “*Risk Factors—Risks Related to the Notes and the Collateral—Creditors under the Super Senior Facilities, any credit facility that refinances or replaces the Super Senior Facilities, certain hedging obligations and certain other indebtedness and obligations permitted to be incurred on a priority basis under the Indenture are entitled to be repaid in priority to the Notes.*”

The lenders under the Super Senior Facilities and/or counterparties to certain future Hedging Obligations and any Subsequent Additional Notes may also benefit from security which does not secure the Original Notes and the Additional Notes offered hereby.

No appraisals of the Collateral have been made in connection with this Offering of the Additional Notes (or in respect of the offering of the Original Notes). By its nature, some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, the Collateral may not be able to be sold in a short period of time, or at all. See “*Risk Factors—Risks Related to the Notes and the Collateral—It may be difficult to realize the value of the Collateral securing the Additional Notes.*”

Priority

The relative priority with regard to the security interests in the Collateral that are created by the Security Documents (the “Security Interests” and each a “Security Interest”) as between (a) the lenders under the Pension Guarantee Facility (b) the lenders under the other Super Senior Facilities, (c) the counterparties under certain future Hedging Obligations (if any) and (d) the Trustee, the Security Agent and the Holders of the Notes under the Indenture, respectively, is established by the terms of the Intercreditor Agreement, the Indenture, the Security Documents and the security documents relating to the Pension Guarantee Facility, the other Super Senior Facilities and such Hedging Obligations (if any) which provide, among other things, that the obligations under the Notes will receive proceeds on enforcement of security over the Collateral only after the claims of the Pension Guarantee Facility, followed by the claims of the other Super Senior Facilities and such future Hedging Obligations and any future Indebtedness permitted to be secured on a super-priority basis in accordance with the terms of the Indenture and the Intercreditor Agreement, are satisfied.

See “*Description of Certain Financing Arrangements—Intercreditor Agreement.*” In addition, pursuant to the Intercreditor Agreements or Additional Intercreditor Agreements entered into after the Original Issue Date, the Collateral may be pledged or assigned to secure other Indebtedness. See “—Release of Liens,” “—Certain Covenants—Impairment of Security Interest” and “—Certain Definitions—Permitted Collateral Liens.”

Security Documents

Under the Security Documents, security has been or will be granted over the Collateral to secure, *inter alia*, the payment when due of the Issuer’s payment obligations under the Notes and the Indenture. The Security Documents have been or will be entered into among, *inter alios*, the relevant security provider and the Security Agent as agent for the secured parties. Under the Security Documents, the Security Agent acts or will act in its own name, but for the benefit of the secured parties (including itself, the Trustee and the Holders of the Notes from time to time). Under the Intercreditor Agreement, the Security Agent acts as an agent of the lenders under the Super Senior Facilities and the counterparties under certain Hedging Obligations in relation to the Security Interests created in favor of such parties.

The Indenture and the Intercreditor Agreement provide that, to the extent permitted by the applicable laws, only the Security Agent will have the right to enforce the Security Documents on behalf of the Trustee and the Holders of the Notes. As a consequence of such contractual provisions, Holders of the Notes will not be entitled to take enforcement action in respect of the Collateral securing the Notes, except through the Security Agent under the Indenture. To the extent permitted by the applicable laws and subject to the terms of the Intercreditor Agreement and the Indenture, Holders of the Notes will, in certain circumstances, be entitled to direct the Trustee to provide instructions to the Security Agent for the enforcement of security over the Collateral. Under the Intercreditor Agreement, the Security Agent will also act on behalf of the lenders under the Super Senior Facilities and the counterparties under certain hedging agreements in relation to the Security Interests in favor of such parties.

The Indenture provides that, subject to the terms thereof and of the Intercreditor Agreement, the Notes and the Indenture, as applicable, will be secured by Security Interests in the Collateral until all obligations under the

Notes and the Indenture have been discharged. However, the Security Interests may be released under certain circumstances as provided under “—*Release of Liens*” below. Please see the section of the Offering Memorandum entitled “*Risk Factors—Risks Related to the Notes and the Collateral*.” The validity and enforceability of the Security Interests will be subject to, *inter alia*, the limitations described in “*Risk Factors—Risks Related to the Notes and the Collateral*” and “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*.”

The Security Documents provide or will provide that the rights under the Security Documents and the Indenture must be exercised by the Security Agent. The Holders may only act through the Trustee, who will instruct the Security Agent in accordance with the terms of the Indenture.

In the event that the Issuer or its Subsidiaries enter into insolvency, bankruptcy or similar proceedings, the Security Interests created under the Security Documents or the rights and obligations enumerated in the Intercreditor Agreement could be subject to potential challenges. If any challenge to the validity of the Security Interests or the terms of the Intercreditor Agreement was successful, the Holders may not be able to recover any amounts under the Security Documents. See “*Risk Factors—Risks Related to the Notes and the Collateral*.”

Enforcement of Security Interest

The Security Documents provide that the rights under the Security Documents must be exercised by the Security Agent. Since the Holders are not a party to the Security Documents, Holders may not, individually or collectively, take any direct action to enforce any rights in their favor under the Security Documents. The Holders may only act through the Security Agent or the Trustee (as applicable).

To the extent permitted by the applicable laws and subject to the terms of the Intercreditor Agreement and the Indenture, Holders of the Notes will, in certain circumstances, be entitled to direct the Trustee to provide instructions to the Security Agent for the enforcement of security over the Collateral. The Indenture and the Intercreditor Agreement will restrict the ability of the Holders or the Trustee to enforce the Security Interests and provide for the release of the Security Interests created by the Security Documents in certain circumstances upon enforcement by the lenders under the Super Senior Facilities. These limitations are described under “*Description of Certain Financing Arrangements—Intercreditor Agreement*” and “*Certain Insolvency Considerations and Limitations on the Validity and Enforceability of the Notes Guarantees and the Security Interests*.” The ability to enforce may also be restricted by similar arrangements in relation to future Indebtedness that is secured on the Collateral in compliance with the Indenture and the Intercreditor Agreement.

The creditors under the Super Senior Facilities, the counterparties to certain Hedging Obligations (if any) secured by the Collateral and the Trustee have, and by accepting a Note, each Holder will be deemed to have, appointed the Security Agent to act as its agent under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents. The creditors under the Super Senior Facilities, the counterparties to certain Hedging Obligations (if any) secured by the Collateral and the Trustee have, and by accepting a Note, each Holder will be deemed to have, authorized the Security Agent to: (i) perform the duties and exercise the rights, powers and discretions that are specifically given to it under the Intercreditor Agreement and the security documents securing such Indebtedness, including the Security Documents, together with any other incidental rights, power and discretions; and (ii) execute each Security Document, waiver, modification, amendment, renewal or replacement expressed to be executed by the Security Agent on its behalf.

Intercreditor Agreement; Additional Intercreditor Agreements; Agreement to be Bound

The Indenture provides that the Issuer and the Trustee will be authorized (without any further consent of the Holders of the Notes) to enter into the Intercreditor Agreement to give effect to the provisions described in the section entitled “*Description of Certain Financing Arrangements—Intercreditor Agreement*.”

The Indenture also provides that each Holder of the Notes, by accepting such Note, will be deemed to have:

- (1) appointed and authorized the Security Agent and the Trustee to give effect to the provisions in the Intercreditor Agreement and any Additional Intercreditor Agreements;
- (2) agreed to be bound by the provisions of the Intercreditor Agreement and the Security Documents;
- (3) agreed and acknowledged that the Security Agent will administer the Collateral in accordance with the Intercreditor Agreement, the Indenture and the Security Documents; and

- (4) irrevocably appointed the Security Agent and the Trustee to act on its behalf to enter into and comply with the provisions of the Intercreditor Agreement.

Please see the sections entitled “*Risk Factors—Risks Related to the Notes and the Collateral—Holders of the Original Notes and the Additional Notes may not control certain decisions regarding the Collateral*” and “*Description of Certain Financing Arrangements—Intercreditor Agreement*.”

Similar provisions to those described above may be included in any Additional Intercreditor Agreement (as defined below) entered into in compliance with the covenant described under “—*Certain Covenants—Additional Intercreditor Agreements*.”

Release of Liens

The Issuer and its Subsidiaries and any provider of Collateral will be entitled to the release of the Security Interests in respect of the Collateral under any one or more of the following circumstances:

- (1) in connection with any sale or other disposition of Collateral to (a) any Person other than the Issuer or a Restricted Subsidiary (but excluding any transaction subject to “—*Certain Covenants—Merger and Consolidation*”), if such sale or other disposition does not violate the covenant described under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” or is otherwise permitted in accordance with the Indenture or (b) any Restricted Subsidiary, *provided* that this clause (b) shall not be relied upon in the case of a transfer of capital stock or of accounts receivable to a Restricted Subsidiary (except to a Receivables Subsidiary) unless the relevant property and assets remain subject to, or otherwise become subject to a Lien in favor of the Notes following such sale or disposal;
- (2) in the case of a Guarantor that is released from its Guarantee pursuant to the terms of the Indenture, the release of the property and assets, and Capital Stock, of such Guarantor;
- (3) as described under “—*Amendments and Waivers*”;
- (4) [*Reserved*];
- (5) upon payment in full of principal, interest and all other obligations on the Notes or defeasance or discharge of the Notes, as provided in “—*Defeasance*” and “—*Satisfaction and Discharge*”;
- (6) if the Issuer designates any Restricted Subsidiary to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture, the release of the property and assets, and Capital Stock of such Unrestricted Subsidiary;
- (7) in accordance with an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (8) pursuant to a Permitted Reorganization or in the case of a merger, consolidation or other transfer of assets in compliance with the covenant described below under “—*Certain Covenants—Merger and Consolidation*”;
- (9) in contemplation of an Initial Public Offering in respect of the Issuer, the irrevocable and unconditional release (an “*IPO Release*”), at the option of the Issuer of the Issuer Share Pledge, *provided that*, (i) the Consolidated Net Leverage Ratio is not, at such time, greater than 3.00 to 1.0 (calculated on a pro forma basis after giving effect to such Initial Public Offering and the receipt and use of proceeds therefrom) and (ii) in the event security is released pursuant to an IPO Release in contemplation of an Initial Public Offering which is then cancelled or revoked or does not complete for any reason, to the extent permitted by law and subject to the Agreed Security Principles, the Issuer shall, or shall procure that the relevant Parent shall, as soon as reasonably practicable, execute a replacement Security Document in favor of the Notes in respect of that security so released;
- (10) in the case of any security interests over intra-group receivables (if any), upon partial repayment or discharge thereof, the security interests created over such receivables will be automatically reduced in proportion to such partial repayment or discharge and, upon full repayment or discharge thereof, the security interests shall be automatically and fully released and of no further effect; or
- (11) as may be permitted by the covenant described under “—*Certain Covenants—Impairment of Security Interest*.”

At the request of the Issuer, the Security Agent and the Trustee (if required) will take all necessary action required to effectuate any release of Collateral securing the Notes and the Guarantees, in accordance with the

provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement and the relevant Security Document. Each of the releases set forth above shall be effected by the Security Agent without the consent of the Holders or any action on the part of the Trustee (unless action is required by it to effect such release).

Notwithstanding any other provisions, the release of any perfected Liens over any Collateral under security documents governed by Swedish law or disposal of (including, without limitation, any conversion, set-off or forgiveness of indebtedness, payment or by way of merger of shares or assets which are subject to perfected Liens) or transfer of any assets, property and/or interests subject to such perfected Liens, in each case, to the extent such Lien is governed by Swedish law, will be subject to the prior written consent of the Security Agent unless the assets to be released are disposed of for the full market value and the proceeds are directly paid to the Security Agent and applied towards repayment and/or prepayment of any debt secured by the relevant Liens (or are paid into a blocked account which is subject to perfected Liens and held with the Security Agent). The Security Agent's consent shall be given on a case by case basis and in its sole discretion. Each Holder of the Notes irrevocably authorizes the Security Agent to release such Liens without notification or further reference to the Holders of the Notes.

Optional Redemption

On and after December 1, 2020, the Issuer may redeem all or, from time to time, part of the Notes upon not less than 10 nor more than 60 days' notice, at the following redemption prices (expressed as a percentage of principal amount) plus accrued and unpaid interest and Additional Amounts (as defined below), if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date), if redeemed during the twelve-month period beginning on December 1 of the years indicated below:

<u>Year</u>	<u>Redemption Price</u>
2020	101.00%
2021 and thereafter	100.00%

Any such redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent. If such redemption or notice is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuer's discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed, *provided* that in no case shall the notice have been delivered less than 10 days or more than 60 days prior to the date on which such redemption (if any) occurs. In addition, the Issuer may provide in such notice that payment of the redemption price and performance of the Issuer's obligations with respect to such redemption may be performed by another Person. In no event shall the Trustee be responsible for monitoring, or charged with knowledge of, the maximum aggregate amount of the Notes eligible under the Indenture to be redeemed.

General

We may repurchase the Notes at any time and from time to time in the open market or otherwise. Notice of redemption will be provided as set forth under "*Selection and Notice*" below.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Issuer.

In connection with any redemption of Notes, any such redemption may, at the Issuer's discretion, be subject to one or more conditions precedent.

Sinking Fund

The Issuer is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes.

Post Tender Redemption

In connection with any tender offer for the Notes at a price no less than the open market trading price of the applicable Notes on the date such tender offer commences (as determined in good faith by the Issuer), plus accrued and unpaid interest thereon to, but excluding the applicable tender settlement date, if Holders of Notes of not less than 90% in aggregate principal amount of the applicable outstanding Notes validly tendered and do not withdraw such Notes in such tender offer and the Issuer, or any third party making such a tender offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third party will have the right upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such tender offer expiration date, to redeem the Notes that remain outstanding in whole, but not in part, following such purchase, at a price equal to the price offered to each other Holder of Notes in such tender offer, plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding such redemption date.

Redemption at Maturity

On May 15, 2025 the Issuer will redeem the Notes that have not been previously redeemed or purchased and cancelled at 100% of their principal amount plus accrued and unpaid interest thereon and Additional Amounts, if any, to the redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

Selection and Notice

If less than all of any series of Notes is to be redeemed at any time, the Paying Agent or the Registrar will select Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, and in compliance with the requirements of Euroclear or Clearstream, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through Euroclear or Clearstream, or Euroclear or Clearstream prescribes no method of selection, on a *pro rata* basis by use of a pool factor; *provided, however*, that no Note of €100,000 in aggregate principal amount or less shall be redeemed in part and only Notes in integral multiples of €1,000 will be redeemed. Neither the Trustee, the Paying Agent nor the Registrar will be liable for any selections made in accordance with this paragraph.

If and so long as the Notes are listed on the Official List of The International Stock Exchange and to the extent that the rules and regulations of The International Stock Exchange Authority Limited (the "*Authority*") so require, the Issuer shall notify the Authority of such redemption and, in addition to such publication, not less than 10 days nor more than 60 days prior to the redemption, the Issuer will mail, or at the expense of the Issuer, cause to be mailed, such notice to Holders. All notices to Holders will be validly given if mailed to them at their respective addresses in the register of Holders, if any, maintained by the Registrar. For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream in substitution for the aforesaid mailing to Holders.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed. In the case of a Definitive Registered Note, a new Definitive Registered Note in principal amount equal to the unredeemed portion of any Definitive Registered Note redeemed in part will be issued in the name of the Holder thereof upon cancellation of the original Definitive Registered Note. In the case of a Global Note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice, Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption.

Redemption for Taxation Reasons

The Issuer may redeem the Notes in whole, but not in part, at any time upon giving not less than 10 nor more than 60 days' prior notice to the Holders of the Notes (which notice will be irrevocable) at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed for redemption (a "*Tax Redemption Date*") (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date) and all Additional Amounts (as defined below under "*—Withholding Taxes*"), if any, then due and which will become due on the Tax Redemption Date as a result of the redemption or otherwise, if any, if the Issuer determines in good faith that, as a result of:

- (1) any change in, or amendment to, the law or treaties (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction (as defined below) affecting taxation; or

- (2) any amendment to, or change in an official written position regarding the application, administration or interpretation of such laws, treaties, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction or a change in published administrative practice) (each of the foregoing in clauses (1) and (2), a “*Change in Tax Law*”),

a Payor (as defined below) is, or on the next interest payment date in respect of the Notes would be, required to pay Additional Amounts with respect to the Notes or any Guarantee (but, in the case of a Guarantor, only if the payment giving rise to such requirement cannot be made by the Issuer or another Guarantor who can make such payment without the obligation to pay Additional Amounts) and such obligation cannot be avoided by taking reasonable measures available to the Payor (including, for the avoidance of doubt, the appointment of a new Paying Agent where this would be reasonable). Such Change in Tax Law must be announced and become effective on or after the Original Notes Issue Date (or if the applicable Relevant Tax Jurisdiction became a Relevant Tax Jurisdiction on a date after the Original Notes Issue Date, such later date). The foregoing provisions shall apply *mutatis mutandis* to any successor Person, after such successor Person becomes a party to the Indenture, with respect to a change or amendments occurring after the time such successor Person becomes a party to the Indenture.

Notice of redemption for taxation reasons will be published in accordance with the procedures described under “—*Selection and Notice*.” Notwithstanding the foregoing, no such notice of redemption will be given: (a) earlier than 60 days prior to the earliest date on which the Payor would be obligated to make such payment of Additional Amounts; and (b) unless at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. Prior to the publication or mailing of any notice of redemption of the Notes pursuant to the foregoing, the Issuer will deliver to the Trustee: (i) an Officer’s Certificate stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to its right so to redeem have been satisfied; and (ii) an opinion of an independent tax counsel of recognized standing and reasonably satisfactory to the Trustee (such approval not to be unreasonably withheld) to the effect that the relevant Payor has been or will become obligated to pay Additional Amounts as a result of a Change in Tax Law. The Trustee will accept and shall be entitled to rely on such Officer’s Certificate and opinion of tax counsel as sufficient evidence of the satisfaction of the conditions precedent described above, without further inquiry, in which event it will be conclusive and binding on the Holders.

Withholding Taxes

All payments made by or on behalf of the Issuer or any Guarantor (each, a “*Payor*”) in respect of the Notes or with respect to any Guarantee, as applicable, will be made free and clear of and without withholding or deduction for, or on account of, any Taxes unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of:

- (1) Sweden or any political subdivision or Governmental Authority thereof or therein having power to tax;
- (2) any jurisdiction from or through which payment on any such Note or any Guarantee is made by or on behalf of the Payor, or any political subdivision or governmental authority thereof or therein having the power to tax; or
- (3) any other jurisdiction in which a Payor is incorporated, organized, engaged in business for tax purposes, or otherwise considered to be a resident for tax purposes, or any political subdivision or governmental authority thereof or therein having the power to tax (each of clause (1), (2) and (3) a “*Relevant Taxing Jurisdiction*”),

will at any time be required by law to be made from any payments made by or on behalf of the Payor or the Paying Agent under or with respect to any Note or any Guarantee, including, without limitation, payments of principal, redemption price, interest or premium, if any, the Payor will pay (together with such payments) such additional amounts (the “*Additional Amounts*”) as may be necessary in order that the net amounts received in respect of such payments, after such withholding or deduction (including any such deduction or withholding from such Additional Amounts), will not be less than the amounts which would have been received in respect of such payments on any such Note or Guarantee in the absence of such withholding or deduction; *provided, however*, that no such Additional Amounts will be payable for or on account of:

- (1) any Taxes that would not have been so imposed but for the existence of any present or former connection between the relevant Holder or the beneficial owner of a Note (or between a fiduciary, settlor, beneficiary, partner, member or shareholder of, or possessor of power over the relevant Holder or beneficial owner, if the relevant Holder or beneficial owner is an estate, nominee, trust, partnership, limited liability company or

corporation) and the Relevant Taxing Jurisdiction (including, without limitation, being resident for tax purposes, or being a citizen or resident, national or domiciliary of, or carrying on a business for tax purposes, or maintaining a permanent establishment in, or being physically present in, the Relevant Taxing Jurisdiction) but excluding, in each case, any connection arising solely from the acquisition, ownership, holding or sale of such Note or the receipt of any payment or the exercise or enforcement of rights under such Note, the Indenture or a Guarantee;

- (2) any Tax that is imposed or withheld by reason of the failure by the Holder or the beneficial owner of the Note to comply with a written request of the Payor or any other person through whom payment can be made addressed to the Holder, after reasonable notice by the Payor (at least 60 days before any such withholding or deduction would be payable), to provide certification, information, documents or other evidence concerning the nationality, residence or identity or connection with the Relevant Tax Jurisdiction of the Holder or such beneficial owner or to make any declaration or similar claim or satisfy any other reporting requirement relating to such matters, which is required by a statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction as a precondition to exemption from all or part of such Tax but, only to the extent the Holder or beneficial owner is legally entitled to provide such certification or documentation;
- (3) any Taxes, to the extent that such Taxes were imposed as a result of the presentation of the Note for payment (where presentation is required) more than 30 days after the relevant payment is first made available for payment to the Holder;
- (4) any Taxes that are payable otherwise than by deduction or withholding from a payment of the principal of, premium, if any, or interest, if any, on the Notes or with respect to any Guarantee;
- (5) any estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other governmental charge;
- (6) any Taxes imposed in connection with a Note presented for payment by or on behalf of a Holder or beneficial owner who would have been able to avoid such Tax by presenting the relevant Note to, or otherwise accepting payment from, another Paying Agent in a member state of the European Union; or
- (7) any combination of the items (1) through (6) above.

In addition, no Additional Amounts shall be paid with respect to a Holder who is a fiduciary or a partnership or any person other than the beneficial owner of the Notes, to the extent that the beneficiary or settler with respect to such fiduciary, the member of such partnership or the beneficial owner would not have been entitled to Additional Amounts had such beneficiary, settler, member or beneficial owner held such Notes directly.

Notwithstanding any other provision of the Indenture, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “*FATCA Withholding*”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

The Payor will (i) make or cause to be made any required withholding or deduction and (ii) remit the full amount deducted or withheld to the Relevant Taxing Jurisdiction in accordance with applicable law. The Payor will use all reasonable efforts to obtain certified copies of tax receipts evidencing the payment of any Taxes so deducted or withheld from each Relevant Taxing Jurisdiction imposing such Taxes or, if such tax receipts are not reasonably available, other reasonable evidence of such payments as soon as reasonably practicable to the Trustee and copied to the Paying Agent. Such copies or other evidence shall be made available to the Holders upon request and will be made available at the offices of the Paying Agent.

If any Payor is obligated to pay Additional Amounts under or with respect to any payment made on any Note or any Guarantee, at least 45 days prior to the date of such payment, the Payor will deliver to the Trustee and the Paying Agent, an Officer’s Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable and such other information necessary to enable the Paying Agent to pay Additional Amounts to Holders on the relevant payment date (unless such obligation to pay Additional Amounts arises less than 30 days prior to the relevant payment date, in which case the Payor may deliver such Officer’s Certificate as promptly as practicable after the date that is 30 days prior to the payment date). The Trustee and the Paying Agent shall be entitled to rely solely on such Officer’s Certificate as conclusive proof that such payments are necessary.

Wherever in the Indenture, the Notes or this “*Description of the Notes*” there is mentioned, in any context:

- (1) the payment of principal;
- (2) purchase prices in connection with a redemption of Notes;
- (3) interest; or
- (4) any other amount payable on or with respect to any of the Notes or any Guarantee,

such reference shall be deemed to include payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The Payor will pay and indemnify the Holder or beneficial owner for any present or future stamp, issue, registration, transfer, court or documentary taxes, or similar charges or levies (including any related interest, penalties or additions to tax) or any other excise, property or similar taxes or similar charges or levies (including any related interest, penalties or additions to tax) that arise in a Relevant Taxing Jurisdiction from the execution, delivery, or registration of any Notes, any Guarantee, the Indenture, or any other document or instrument in relation thereto (other than in each case, in connection with a transfer of the Additional Notes after this Offering) or the receipt of any payments with respect thereto or any such taxes or charges or levies (including any related interest, penalties, or additions to tax) imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes any Guarantee (limited, solely in the case of the receipt of any payments with respect thereto, to taxes or similar charges or levies imposed in a Relevant Taxing Jurisdiction that are not excluded under clauses (1) through (3) above or clauses (5) through (7) above or any combination thereof).

The foregoing obligations will survive any termination, defeasance or discharge of the Indenture and any transfer by a Holder or beneficial owner of its Notes, and will apply *mutatis mutandis* to any jurisdiction in which any successor to a Payor is incorporated, organized, engaged in business for tax purposes or otherwise resident for tax purposes, or any jurisdiction from or through which any payment under, or with respect to the Notes is made by or on behalf of such Payor, or any political subdivision or taxing authority or agency thereof or therein.

Change of Control

If a Change of Control occurs, subject to the terms of the covenant described under this heading “—*Change of Control*,” each Holder will have the right to require the Issuer to repurchase all or any part of such Holder’s Notes at a purchase price in cash equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date); *provided, however*, that the Issuer shall not be obligated to repurchase the Notes as described under this heading, “—*Change of Control*,” in the event and to the extent that it has unconditionally exercised its right to redeem all of the Notes of such series as described under “—*Optional Redemption*” or all conditions to such redemption have been satisfied or waived.

Unless the Issuer has unconditionally exercised its right to redeem all the Notes as described under “—*Optional Redemption*” or all conditions to such redemption have been satisfied or waived, no later than the date that is 60 days after any Change of Control, the Issuer will mail a notice (the “*Change of Control Offer*”) to each Holder of Notes, with a copy to the Trustee:

- (1) stating that a Change of Control has occurred or may occur and that such Holder has the right to require the Issuer to purchase all or any part of such Holder’s Notes at a purchase price in cash equal to 101% of the principal amount of such Notes plus accrued and unpaid interest to, but not including, the date of purchase (subject to the right of Holders of record on a record date to receive interest on the relevant interest payment date) (the “*Change of Control Payment*”);
- (2) stating the repurchase date (which shall be no earlier than 10 days nor later than 60 days from the date such notice is mailed) and the record date (the “*Change of Control Payment Date*”);
- (3) stating that any Note accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date unless the Change of Control Payment is not paid, and that any Notes or part thereof not tendered will continue to accrue interest;
- (4) describing the circumstances and relevant facts regarding the transaction or transactions that constitute the Change of Control;
- (5) describing the procedures determined by the Issuer, consistent with the Indenture, that a Holder must follow in order to have its Notes repurchased; and

- (6) if such notice is mailed prior to the occurrence of a Change of Control, stating that the Change of Control Offer is conditional on the occurrence of such Change of Control.

On the Change of Control Payment Date, if the Change of Control shall have occurred, the Issuer will, to the extent lawful:

- (1) accept for payment all Notes or portion thereof properly tendered pursuant to the Change of Control Offer;
- (2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes so tendered;
- (3) deliver or cause to be delivered to the Trustee an Officer's Certificate stating the aggregate principal amount of Notes or portions of the Notes being purchased by the Issuer in the Change of Control Offer;
- (4) in the case of Global Notes, deliver, or cause to be delivered, to the Paying Agent the Global Notes in order to reflect thereon the portion of such Notes or portions thereof that have been tendered to and purchased by the Issuer; and
- (5) in the case of Definitive Registered Notes, deliver, or cause to be delivered, to the Registrar for cancellation all Definitive Registered Notes accepted for purchase by the Issuer.

If any Definitive Registered Notes have been issued, the Paying Agent will promptly mail to each Holder of Definitive Registered Notes so tendered the Change of Control Payment for such Notes, and the Trustee (or an authenticating agent) will, at the cost of the Issuer, promptly authenticate and mail (or cause to be transferred by book-entry) to each Holder of Definitive Registered Notes a new Definitive Registered Note equal in principal amount to the unpurchased portion of the Notes surrendered, if any, *provided* that each such new Note will be in a principal amount that is at least €100,000 and integral multiples of €1,000 in excess thereof.

If and so long as the Notes are listed on the Official List of The International Stock Exchange and to the extent that the rules and regulations of the Authority so require, the Issuer will notify the Authority of any Change of Control Offer.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Issuer repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The existence of a Holder's right to require the Issuer to repurchase such Holder's Notes upon the occurrence of a Change of Control may deter a third party from seeking to acquire the Issuer or its Subsidiaries in a transaction that would constitute a Change of Control.

The Issuer will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer. Notwithstanding anything to the contrary contained herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place providing for the Change of Control at the time the Change of Control Offer is made. The closing date of any such Change of Control Offer made in advance of a Change of Control may be changed to conform to the actual closing date of the Change of Control, provided that such closing date is not earlier than 30 days nor later than 60 days from the date the Change of Control Offer notice is mailed as described in the second paragraph of this section.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to this covenant. To the extent that the provisions of any securities laws or regulations conflict with provisions of the Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Change of Control provisions of the Indenture by virtue of the conflict.

If Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in a Change of Control Offer and the Issuer, or any third-party making a Change of Control Offer in lieu of the Issuer as described above, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Issuer or such third-party will have the right, upon not less than 10 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all Notes that remain outstanding following such purchase at a price in cash equal to 101% of the aggregate principal amount of such Notes, plus accrued and unpaid interest, if any, thereon, to, but excluding the date of redemption.

The Issuer's ability to repurchase Notes issued by it pursuant to a Change of Control Offer may be limited by a number of factors. The occurrence of certain of the events that constitute a Change of Control may require a mandatory prepayment of certain Indebtedness. In addition, certain events that may constitute a change of control under certain Indebtedness and may require a mandatory prepayment of such Indebtedness may not constitute a Change of Control under the Indenture. Future Indebtedness of the Issuer or its Subsidiaries may also contain prohibitions of certain events that would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Issuer to repurchase the Notes could cause a default under, or require a repurchase of, such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Issuer. Finally, the Issuer's ability to pay cash to the Holders upon a repurchase may be limited by the Issuer's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases. See "*Risk Factors—Risks Related to the Notes and the Collateral—We may not be able to obtain the funds required to repurchase the Notes upon a Change of Control and the occurrence of certain important corporate events will not constitute a Change of Control.*"

The definition of "Change of Control" includes a disposition of all or substantially all of the property and assets of the Issuer and its Restricted Subsidiaries taken as a whole to specified other Persons. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the property or assets of a Person. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder may require the Issuer to make an offer to repurchase the Notes as described above.

The provisions of the Indenture relating to the Issuer's obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of Holders of a majority in outstanding principal amount of the Notes.

Certain Covenants

Limitation on Indebtedness

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Issuer and any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof):

- (1) the Fixed Charge Coverage Ratio for the Issuer and its Restricted Subsidiaries would have been at least 2.0 to 1.0; and
- (2) to the extent that the Indebtedness is Senior Secured Indebtedness, the Consolidated Senior Secured Net Leverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal financial statements are available immediately preceding the date on which such additional Indebtedness is incurred would have been no greater than 4.3 to 1.0.

Restricted Subsidiaries of the Issuer that are not Guarantors may only incur Indebtedness pursuant to this first paragraph if the aggregate principal amount of outstanding Indebtedness incurred by Restricted Subsidiaries of the Issuer that are not Guarantors pursuant to this first paragraph (calculated at the time of such incurrence and after giving effect to the incurrence of such Indebtedness and the application of proceeds thereof, on a pro forma basis) would not exceed an amount equal to the greater of €16.0 million and 25% of Consolidated EBITDA.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness ("*Permitted Debt*"):

- (1) Indebtedness Incurred pursuant to any Credit Facility (including in respect of letters of credit or bankers' acceptances issued or created thereunder), and any Refinancing Indebtedness in respect thereof and Guarantees in respect of such Indebtedness in a maximum aggregate principal amount at any time outstanding not exceeding (a) the greater of (i) SEK 550 million and (ii) 80% of Consolidated EBITDA *plus* (b) the amount of any Guarantee Facilities, *plus* in the case of any refinancing of any Indebtedness permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses Incurred in connection with such refinancing;
- (2)
 - (a) Guarantees by the Issuer or any Restricted Subsidiary of Indebtedness of the Issuer or any Restricted Subsidiary, so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture; or

- (b) without limiting the covenant described under “—*Limitation on Liens*,” Indebtedness arising by reason of any Lien granted by or applicable to any Person securing Indebtedness of the Issuer or any Restricted Subsidiary so long as the Incurrence of such Indebtedness is permitted under the terms of the Indenture;
- (3) Indebtedness of the Issuer owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Issuer or any Restricted Subsidiary; *provided, however*, that:
 - (a) in the case of Indebtedness owing by the Issuer to any Restricted Subsidiary that is not a Guarantor (except in respect of intercompany liabilities Incurred in the ordinary course of business or in connection with cash pooling or cash management or tax positions of the Issuer and its Restricted Subsidiaries), such Indebtedness shall be (subject to the Agreed Security Principles and the terms of the Intercreditor Agreement) unsecured and expressly subordinated in right of payment to the prior payment in full in cash of all obligations with respect to the Notes, in the case of the Issuer, and the respective Guarantee, in the case of a Guarantor, in each case pursuant to and to the extent required by the Intercreditor Agreement; and
 - (b) (i) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being beneficially held by a Person other than the Issuer or a Restricted Subsidiary of the Issuer; and (ii) any sale or other transfer of any such Indebtedness to a Person other than the Issuer or a Restricted Subsidiary of the Issuer, shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (3) by the Issuer or such Restricted Subsidiary, as the case may be;
- (4) (a) Indebtedness represented by the Original Notes outstanding on the Original Notes Issue Date, the related Guarantees, and any related “parallel debt” obligations under the Intercreditor Agreement and the Security Documents, (b) any Indebtedness (other than Indebtedness Incurred under the Super Senior Facilities and Indebtedness described in clause (3) of this paragraph) outstanding on the Original Notes Issue Date, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) or clauses (5) and (13) of this paragraph or Incurred pursuant to the first paragraph of this covenant and (d) Management Advances;
- (5) Indebtedness of any Person (a) outstanding on the date on which such Person becomes a Restricted Subsidiary or any Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Issuer or any Restricted Subsidiary or (b) Incurred to provide all or a portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which any Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary; *provided, however*, with respect to this clause (5), that at the time of such acquisition or other transaction (x) the Issuer would have been able to Incur €1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio in the first paragraph of this covenant after giving pro forma effect to the relevant acquisition and the Incurrence of such Indebtedness pursuant to this clause (5) or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such acquisition or other transaction;
- (6) Indebtedness under Currency Agreements, Interest Rate Agreements and Commodity Hedging Agreements not for speculative purposes (as determined in good faith by the Board of Directors or an Officer of the Issuer);
- (7) Indebtedness consisting of (a) Capitalized Lease Obligations, mortgage financings, Purchase Money Obligations or other financings, incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in a Similar Business or (b) Indebtedness otherwise incurred to finance the purchase, lease, rental or cost of design, construction, installation or improvement of property (real or personal) or equipment that is used or useful in a Similar Business, whether through the direct purchase of assets or the Capital Stock of any Person owning such assets, and any Indebtedness which refinances, replaces or refunds such Indebtedness, in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (7) and then outstanding, will not exceed at any time outstanding the greater of €40.0 million and 66% of Consolidated EBITDA;
- (8) Indebtedness in respect of (a) workers’ compensation claims, self-insurance obligations, performance, indemnity, surety, judgment, appeal, advance payment, customs, VAT or other tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Issuer or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or in respect of any governmental requirement, (b) letters of credit, bankers’ acceptances,

guarantees or other similar instruments or obligations issued or relating to liabilities or obligations Incurred in the ordinary course of business or in respect of any governmental requirement, *provided, however*, that upon the drawing of such letters of credit or other similar instruments, the obligations are reimbursed within 30 days following such drawing, (c) the financing of insurance premiums in the ordinary course of business, (d) guarantees issued to a landlord in respect of leased real property and guarantees and counter-indemnities in favor of financial institutions that have guaranteed real property rent obligations, in each case, in the ordinary course of business, (e) guarantees to a trustee of any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust; provided that the total aggregate amount outstanding under this clause (e) does not exceed the greater of €2.0 million and 3% of Consolidated EBITDA and (f) any Bank Products or related netting or setting off arrangements in the ordinary course of business;

- (9) Indebtedness arising from agreements providing for customary guarantees, indemnification, obligations including in respect of earnouts or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that, in the case of a disposition, the maximum liability of the Issuer and its Restricted Subsidiaries in respect of all such Indebtedness shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Issuer and its Restricted Subsidiaries in connection with such disposition;
- (10)
 - (a) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided, however*, that such Indebtedness is extinguished within 10 Business Days of Incurrence;
 - (b) customer deposits and advance payments received in the ordinary course of business from customers for goods or services purchased in the ordinary course of business;
 - (c) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Issuer and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Issuer and its Restricted Subsidiaries; and
 - (d) Indebtedness incurred by a Restricted Subsidiary in connection with bankers' acceptances, discounted bills of exchange or the discounting or factoring of receivables for credit management of bad debt purposes, in each case, incurred or undertaken in the ordinary course of business;
- (11) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (11) and then outstanding, will not exceed the greater of €31.0 million and 50% of Consolidated EBITDA; provided that Restricted Subsidiaries of the Issuer that are not Guarantors may only incur Indebtedness pursuant to this clause (11) in an amount not to exceed the greater of €16.0 million and 25% of Consolidated EBITDA;
- (12) Indebtedness Incurred by a Receivables Subsidiary in a Qualified Receivables Financing;
- (13) Indebtedness in an aggregate outstanding principal amount which, when taken together with any Refinancing Indebtedness in respect thereof and the principal amount of all other Indebtedness Incurred pursuant to this clause (13) and then outstanding, will not exceed 100% of the Net Cash Proceeds received by the Issuer from the issuance or sale (other than to a Restricted Subsidiary) of its Subordinated Shareholder Funding or Capital Stock (other than Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution or an Excluded Contribution) or otherwise contributed to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares, a Parent Debt Contribution or an Excluded Contribution) of the Issuer, in each case, subsequent to the Original Notes Issue Date; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall be excluded for purposes of making Restricted Payments under the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under “—*Limitation on Restricted Payments*” to the extent the Issuer and its Restricted Subsidiaries incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause (13) to the extent the Issuer or any of its Restricted Subsidiaries makes a Restricted Payment under

the first paragraph and clauses (1), (6) and (10) of the third paragraph of the covenant described below under “—*Limitation on Restricted Payments*” in reliance thereon;

- (14) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business;
- (15) Indebtedness in connection with Investments in Associates, not exceeding, at any time outstanding, the greater of €7.0 million and 10% of Consolidated EBITDA;
- (16) Indebtedness under local Credit Facilities in an aggregate principal amount not to exceed, at any time outstanding, the greater of €3.0 million and 5% of Consolidated EBITDA; and
- (17) Indebtedness under daylight borrowing facilities incurred in connection with any refinancing of Indebtedness or incurrence of Indebtedness or other transaction, payment or incurrence not prohibited hereunder (including, without limitation, by way of set-off or exchange), so long as any such Indebtedness is repaid within 5 Business Days of the date on which such Indebtedness is incurred.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) in the event that Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Issuer, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in one of the clauses of the second paragraph or the first paragraph of this covenant;
- (2) all Indebtedness outstanding on the Original Notes Issue Date under the Super Senior Facilities shall be deemed initially Incurred under clause (1) of the second paragraph of this covenant and not the first paragraph or clause (4)(b) of the second paragraph of this covenant, and may not be reclassified;
- (3) Guarantees of, or obligations in respect of letters of credit, bankers’ acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (4) if obligations in respect of letters of credit, bankers’ acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as Incurred pursuant to clause (1), (7), (11), (15) or (16) of the second paragraph above or the first paragraph above and the letters of credit, bankers’ acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;
- (5) the principal amount of any Disqualified Stock of the Issuer or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (6) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;
- (7) for the purposes of determining “Consolidated EBITDA” (x) pro forma effect shall be given to Consolidated EBITDA on the same basis for calculating the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries and (y) in relation to clause (1) of the second paragraph of this covenant, Consolidated EBITDA shall be measured on the most recent date on which new commitments are obtained (in the case of revolving facilities) or the date on which new Indebtedness is Incurred (in the case of term facilities) and for the period of the most recent four consecutive fiscal quarters ending prior to such date for which such internal consolidated financial statements of the Issuer are available; and
- (8) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of IFRS.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in IFRS will not be deemed to be an Incurrence of Indebtedness for purposes of the covenant described under this “—*Limitation on Indebtedness*.” Except as otherwise specified, the amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount, or

liquidation preference thereof, in the case of any other Indebtedness. For purposes of determining compliance with this covenant, with respect to Indebtedness Incurred under a Credit Facility, reborrowings of amounts previously repaid pursuant to “cash sweep” provisions or any similar provisions under a Credit Facility that provide that Indebtedness is deemed to be repaid daily (or otherwise periodically), including any revolving indebtedness, shall only be deemed for purposes of this covenant to have been Incurred on the date such Indebtedness was first Incurred and not on the date of any subsequent reborrowing thereof.

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under “—*Limitation on Indebtedness*,” the Issuer shall be in Default of this covenant).

For purposes of determining compliance with any euro-denominated restriction on the Incurrence of Indebtedness, the Euro Equivalent of the principal amount of Indebtedness denominated in another currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or, at the option of the Issuer, first committed, in the case of Indebtedness Incurred under a revolving credit facility; *provided that*; (a) if such Indebtedness is Incurred to refinance other Indebtedness denominated in a currency other than euro, and such refinancing would cause the applicable euro-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such euro-denominated restriction shall be deemed not to have been exceeded, so long as the principal amount of such Refinancing Indebtedness does not exceed the amount set forth in clause (2) of the definition of Refinancing Indebtedness; (b) the Euro Equivalent of the principal amount of any such Indebtedness outstanding on the Original Notes Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Original Notes Issue Date; and (c) if any such Indebtedness that is denominated in a different currency is subject to a Currency Agreement (with respect to the euro) covering principal amounts payable on such Indebtedness, the amount of such Indebtedness expressed in euro will be adjusted to take into account the effect of such agreement.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Issuer or a Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Neither the Issuer nor any Guarantor will incur any Indebtedness (including Permitted Debt) that is contractually subordinated in right of payment to any other Indebtedness of the Issuer or such Guarantor unless such Indebtedness is also contractually subordinated in right of payment to the Notes and the applicable Guarantee, if any, on substantially identical terms; *provided, however*, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured with different collateral or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Indebtedness. No Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured on a first or junior Lien basis.

Limitation on Restricted Payments

The Issuer will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any other payment or distribution on or in respect of the Issuer’s or any Restricted Subsidiary’s Capital Stock (including any payment in connection with any merger or consolidation involving the Issuer or any of its Restricted Subsidiaries) except:
 - (i) dividends or distributions payable in Capital Stock of the Issuer (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Issuer or in Subordinated Shareholder Funding; and
 - (ii) dividends or distributions payable to the Issuer or a Restricted Subsidiary (and, in the case of any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Issuer or another Restricted Subsidiary on no more than a pro rata basis, measured by value);

- (2) purchase, redeem, retire or otherwise acquire for value any Capital Stock of the Issuer or any direct or indirect Parent of the Issuer held by Persons other than the Issuer or a Restricted Subsidiary (other than in exchange for Capital Stock of the Issuer (other than Disqualified Stock));
- (3) make any principal payment on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to the scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement or in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of payment, purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*”);
- (4) make any payment (other than by capitalization of interest) on or with respect to, or purchase, repurchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Shareholder Funding; or
- (5) make any Restricted Investment in any Person,

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (5) are referred to herein as a “*Restricted Payment*”), if at the time the Issuer or such Restricted Subsidiary makes such Restricted Payment:

- (a) a Default or Event of Default shall have occurred and be continuing (or would result immediately thereafter therefrom);
- (b) the Issuer is not able to Incur an additional €1.00 of Indebtedness pursuant to the Fixed Charge Coverage Ratio contained in the first paragraph of the covenant described under “—*Limitation on Indebtedness*” after giving effect, on a pro forma basis, to such Restricted Payment; or
- (c) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Original Notes Issue Date (and not returned or rescinded) (including Permitted Payments permitted below by clauses (5), (10) and (16) of the third succeeding paragraph, but excluding all other Restricted Payments permitted by the third succeeding paragraph) would exceed the sum of (without duplication):
 - (i) 50% of Consolidated Net Income for the period (treated as one accounting period) from the first day of the fiscal quarter commencing prior to the Original Notes Issue Date to the end of the most recent fiscal quarter ending prior to the date of such Restricted Payment for which internal consolidated financial statements of the Issuer are available (or, in the case such Consolidated Net Income is a deficit, minus 100% of such deficit);
 - (ii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the second succeeding paragraph) of property or assets or marketable securities, received by the Issuer from the issue or sale of its Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding subsequent to the Original Notes Issue Date or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer subsequent to the Original Notes Issue Date (other than (w) Subordinated Shareholder Funding or Capital Stock, in each case sold to a Subsidiary of the Issuer, (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary, (y) Net Cash Proceeds or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the third succeeding paragraph and (z) Excluded Contributions or Parent Debt Contributions);
 - (iii) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the second succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary from the issuance or sale (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) by the Issuer or any Restricted Subsidiary subsequent to the Original Notes Issue Date of any Indebtedness that has been converted into or exchanged for Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares) or Subordinated

Shareholder Funding (plus the amount of any cash, and the fair market value (as determined in accordance with the second succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary upon such conversion or exchange) but excluding (w) Disqualified Stock or Indebtedness issued or sold to a Subsidiary of the Issuer, (x) Net Cash Proceeds to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the third succeeding paragraph, and (y) Excluded Contributions or Parent Debt Contributions;

- (iv) 100% of the aggregate Net Cash Proceeds, and the fair market value (as determined in accordance with the second succeeding paragraph) of property or assets or marketable securities, received by the Issuer or any Restricted Subsidiary (other than to the Issuer or a Restricted Subsidiary or an employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) from the disposition of any Unrestricted Subsidiary or the disposition or repayment of any Investment constituting a Restricted Payment made after the Original Notes Issue Date;
- (v) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary or all of the assets of such Unrestricted Subsidiary are transferred to the Issuer or a Restricted Subsidiary, or the Unrestricted Subsidiary is merged or consolidated into the Issuer or a Restricted Subsidiary, 100% of such amount received in cash and the fair market value of any property or marketable securities received by the Issuer or any Restricted Subsidiary in respect of such redesignation, merger, consolidation or transfer of assets, excluding the amount of any Investment in such Unrestricted Subsidiary that constituted a Permitted Investment made pursuant to clause (11) of the definition of “Permitted Investment”; and
- (vi) 100% of any dividends or distributions received by the Issuer or a Restricted Subsidiary after the Original Notes Issue Date from an Unrestricted Subsidiary,
provided, however, that no amount will be included in Consolidated Net Income for purposes of the preceding clause (i) to the extent that it is (at the Issuer’s option) included in the foregoing clause (iv), (v) or (vi).

The fair market value of property or assets other than cash covered by the preceding two sentences shall be the fair market value thereof as determined in good faith by an officer of the Issuer, or, if such fair market value exceeds the greater of €13.0 million and 20% of Consolidated EBITDA, by the Board of Directors.

The foregoing provisions will not prohibit any of the following (collectively “*Permitted Payments*”):

- (1) any Restricted Payment made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Capital Stock of the Issuer (other than Disqualified Stock or Designated Preference Shares), Subordinated Shareholder Funding or a substantially concurrent contribution to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or Parent Debt Contribution) of the Issuer; *provided, however,* that to the extent so applied, the Net Cash Proceeds, or fair market value (as determined in accordance with the preceding sentence) of property or assets or of marketable securities, from such sale of Capital Stock or Subordinated Shareholder Funding or such contribution will be excluded from clause (c)(ii) of the first paragraph of this covenant and clause (6) of this paragraph and shall not be considered Excluded Contributions or Net Cash Proceeds from a Public Equity Offering for purposes of the “Optional Redemption” provisions of the Indenture;
- (2) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” above;
- (3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Preferred Stock of the Issuer or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Issuer or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under “—*Limitation on Indebtedness*” above, and that, in each case, constitutes Refinancing Indebtedness;

- (4) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Indebtedness, Disqualified Stock or Preferred Stock of a Restricted Subsidiary:
 - (a) (i) from Net Available Cash to the extent permitted under “—*Limitation on Sales of Assets and Subsidiary Stock*” below, but only if the Issuer shall have first complied with the terms described under “—*Limitation on Sales of Assets and Subsidiary Stock*” and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest;
 - (b) following the occurrence of a Change of Control (or other similar event described therein as a “change of control”), but only (i) if the Issuer shall have first complied with the terms described under “—*Change of Control*” and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness and (ii) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest; or
 - (c) (i) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Issuer or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition) and (ii) at a purchase price not greater than 100% of the principal amount of such Subordinated Indebtedness plus accrued and unpaid interest and any premium required by the terms of any Acquired Indebtedness;
- (5) any dividends paid within 60 days after the date of declaration if at such date of declaration such dividend would have complied with this covenant;
- (6) the purchase, repurchase, redemption, defeasance or other acquisition, cancellation or retirement for value of Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof) and loans, advances, dividends or distributions by the Issuer to any Parent to permit any Parent to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), or payments to purchase, repurchase, redeem, defease or otherwise acquire, cancel or retire for value Capital Stock of the Issuer, any Restricted Subsidiary or any Parent (including any options, warrants or other rights in respect thereof), in each case from Management Investors; *provided* that such payments, loans, advances, dividends or distributions do not exceed an amount (net of repayments of any such loans or advances) equal to (a) €2.0 million plus €1.0 million multiplied by the number of calendar years that have commenced since the Original Notes Issue Date, *plus* (b) the amount of Net Cash Proceeds received by the Issuer or its Restricted Subsidiaries since the Original Notes Issue Date (including through receipt of proceeds from the issuance or sale of its Capital Stock or Subordinated Shareholder Funding to a Parent) from, or as a contribution to the equity (in each case under this clause (6), other than through the issuance of Disqualified Stock or Designated Preference Shares or Parent Debt Contribution) of the Issuer from, the issuance or sale to Management Investors of Capital Stock (including any options, warrants or other rights in respect thereof), to the extent such Net Cash Proceeds have not otherwise been designated as Excluded Contributions and are not included in any calculation under clause (c)(ii) of the first paragraph describing this covenant or clause (a) of this paragraph;
- (7) the declaration and payment of dividends to holders of any class or series of Disqualified Stock, or of any Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—*Limitation on Indebtedness*”;
- (8) purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise of stock options, warrants or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof;
- (9) dividends, loans, advances or distributions to any Parent or other payments by the Issuer or any Restricted Subsidiary in amounts equal to (without duplication):
 - (a) the amounts required for any Parent to pay, any Parent Expenses or any Related Taxes; or
 - (b) amounts constituting or to be used for purposes of making payments (i) in connection with the Original Notes Transactions or disclosed in the Original Notes Offering Memorandum or (ii) to the extent specified in clauses (2), (3), (5), (7) and (11) of the second paragraph under “—*Limitation on Affiliate Transactions*”;

- (10) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), the declaration and payment by the Issuer of, or loans, advances, dividends or distributions to any Parent to pay, dividends on the common stock or common equity interests of the Issuer or any Parent following a Public Offering of such common stock or common equity interests, in an amount not to exceed in any fiscal year the greater of (a) 6% of the Net Cash Proceeds received by the Issuer from such Public Offering or contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares or through an Excluded Contribution or a Parent Debt Contribution) of the Issuer or contributed as Subordinated Shareholder Funding to the Issuer and (b) following the Initial Public Offering, an amount equal to the greater of (A) 7% of the Market Capitalization and 7% of the IPO Market Capitalization, *provided* that in the case of this clause (b)(A) after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 3.25 to 1.0 or (B) 5% of the Market Capitalization and 5% of the IPO Market Capitalization; *provided* that in the case of this clause (b)(B) after giving *pro forma* effect to such loans, advances, dividends or distributions, the Consolidated Net Leverage Ratio shall be equal to or less than 3.5 to 1.0;
- (11) so long as no Default or Event of Default has occurred and is continuing (or would result therefrom), Restricted Payments in an aggregate amount outstanding at any time not to exceed the greater of €16.0 million and 25% of Consolidated EBITDA;
- (12) payments by the Issuer, or loans, advances, dividends or distributions to any Parent to make payments, to holders of Capital Stock of the Issuer or any Parent in lieu of the issuance of fractional shares of such Capital Stock, *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Board of Directors or an Officer of the Issuer);
- (13) Restricted Payments in an aggregate amount outstanding at any time not to exceed the aggregate cash amount of Excluded Contributions, or consisting of non-cash Excluded Contributions, or Investments in exchange for or using as consideration Investments (or net cash proceeds therefrom) previously made under this clause (13);
- (14) payment of any Receivables Fees and purchases of Receivables Assets pursuant to a Receivables Repurchase Obligation in connection with a Qualified Receivables Financing;
- (15) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary to the holders of its Capital Stock (other than the Issuer or any Restricted Subsidiary) on a no more than *pro rata* basis;
- (16) so long as no Default or Event of Default has occurred and is continuing (or would result from), any Restricted Payment; *provided* that the Consolidated Net Leverage Ratio does not exceed 3.0 to 1.0 on a *pro forma* basis after giving effect to any such Restricted Payment;
- (17) (i) the declaration and payment of dividends to holders of any class or series of Designated Preference Shares issued after the Original Notes Issue Date; and (ii) the declaration and payment of dividends or other distributions to any Parent or any Affiliate thereof, the proceeds of which will be used to fund the payment of dividends to holders of any class or series of Designated Preference Shares issued after the Original Notes Issue Date; *provided* that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid pursuant to this clause (17) shall not exceed the Net Cash Proceeds received by the Issuer or a Restricted Subsidiary or the aggregate amount contributed in cash to the equity (other than through the issuance of Disqualified Stock, a Parent Debt Contribution or an Excluded Contribution) of the Issuer or a Restricted Subsidiary or contributed as Subordinated Shareholder Funding, as applicable, from the issuance or sale of such Designated Preference Shares (and *provided* that, to the extent so applied, the Net Cash Proceeds, from such sale of Designated Preference Shares or such contribution will be excluded from clause (c)(ii) and (c)(iii) of the preceding paragraph);
- (18) dividends or other distributions of Capital Stock, Indebtedness or other securities of Unrestricted Subsidiaries;
- (19) advances or loans to (or to any person for or in respect of) (a) any future, present or former officer, director, employee or consultant of the Issuer or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Subordinated Shareholder Funding (or similar obligations) or Capital Stock of the Issuer or any Parent (other than Disqualified Stock), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or

(b) any management equity plan or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Subordinated Shareholder Funding (or similar obligations) or Capital Stock of the Issuer or any Parent (other than Disqualified Stock); provided that the total aggregate amount of Restricted Payments made under this clause (19) does not exceed €2.0 million in any calendar year; and

- (20) dividends, loans, advances, payments or other distributions in amounts required for a direct or indirect parent of the Issuer to pay interest, premium, catch-up payments, make-whole amounts and break costs in respect of Indebtedness, the net cash proceeds of which have been contributed to the Issuer or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Indebtedness of, the Issuer or any of its Restricted Subsidiaries incurred in accordance with the covenant described under “*Limitation on Indebtedness*.”

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment shall be determined conclusively by an Officer or the Board of Directors of the Issuer acting in good faith.

For the purposes of calculating “Consolidated EBITDA” pro forma effect shall be given to Consolidated EBITDA on the same basis as for calculating the Consolidated Net Leverage Ratio for the Issuer and its Restricted Subsidiaries.

If any Investment or Restricted Payment would be permitted pursuant to one or more provisions described above and/or one or more of the exceptions contained in the definition of “Permitted Payment” or “Permitted Investment” (or any other definition used in this covenant or such definitions), the Issuer may, at its sole discretion, divide and classify such Investment or Restricted Payment in any manner that complies with this covenant or such definition and may later reclassify in whole or in part any such Investment or Restricted Payment (based on circumstances existing on the date of such reclassification) in whole or in part at any time, so long as the Investment or Restricted Payment (as so reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification.

Limitation on Liens

The Issuer will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur or suffer to exist any Lien upon any of its property or assets (including Capital Stock of a Restricted Subsidiary of the Issuer), whether owned on the Original Notes Issue Date or acquired after that date, or any interest therein or any income or profits therefrom, which Lien is securing any Indebtedness (such Lien the “*Initial Lien*”), except (a) in the case of any property or asset that does not constitute Collateral, (1) Permitted Liens or (2) Liens on property or assets that are not Permitted Liens if the Notes and the Indenture (or a Guarantee of the Notes in the case of Liens of a Guarantor) are (subject to the Agreed Security Principles) directly secured equally and ratably with, or prior to, in the case of Liens with respect to Subordinated Indebtedness, the Indebtedness secured by such Initial Lien for so long as such Indebtedness is so secured, and (b), in the case of any property or asset that constitutes Collateral, Permitted Collateral Liens.

Any such Lien created in favor of the Notes will be automatically and unconditionally released and discharged upon (i) the release and discharge of the Initial Lien to which it relates, and (ii) otherwise as set forth under “*Security—Release of Liens*.”

For the purposes of determining compliance with this covenant and for the purposes of the definitions of Permitted Lien (other than in respect of clause (29) of the definition thereof) and Permitted Collateral Lien, in the event that a Lien meets the criteria of more than one of the categories or exceptions contained in the definition of, as the case may be, “Permitted Lien” or “Permitted Collateral Lien” (or any other definition used in this covenant or such definitions), as applicable, the Issuer may, at its sole discretion, divide and classify such Lien in any manner that complies with this covenant or such definition and may later divide and/or reclassify any such Lien at any time and in any manner that complies with this covenant or such definition.

Limitation on Restrictions on Distributions from Restricted Subsidiaries

The Issuer will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock to the Issuer or a Restricted Subsidiary or pay any Indebtedness or other obligations owed to the Issuer or any Restricted Subsidiary;
- (B) make any loans or advances to the Issuer or any Restricted Subsidiary; or
- (C) sell, lease or transfer any of its property or assets to the Issuer or any Restricted Subsidiary,

provided that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Issuer or any Restricted Subsidiary to other Indebtedness Incurred by the Issuer or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) the Indenture, the Notes, any Credit Facility (including the Super Senior Facilities), the Security Documents, any Guarantee and any Intercreditor Agreement and Additional Intercreditor Agreement or (b) any other agreement or instrument with respect to the Issuer and its Subsidiaries, in each case, in effect at or entered into on the Original Notes Issue Date (including the Indenture, the Notes, the Intercreditor Agreement, the Security Documents or any related security documents); and (in all cases) any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of any such agreements or arrangements referred to in this clause (1) *provided* that such encumbrances and restrictions are not materially more restrictive, taken as a whole, with respect to dividend and other payment restrictions than those contained in those agreements as at the Original Notes Issue Date (as determined in good faith by the Issuer);
- (2) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary, or on which such agreement or instrument is assumed by the Issuer or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Issuer or was merged, consolidated or otherwise combined with or into the Issuer or any Restricted Subsidiary entered into or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause (2), if another Person is the Successor Issuer (as defined under “—*Merger and Consolidation*”), any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Issuer or any Restricted Subsidiary when such Person becomes the Successor Issuer;
- (3) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clause (1) or (2) of this paragraph or this clause (3) (an “*Initial Agreement*”) or contained in any amendment, supplement or other modification to an agreement referred to in clause (1) or (2) of this paragraph or this clause (3); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Board of Directors or an Officer of the Issuer);
- (4) any encumbrance or restriction:
 - (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, or the assignment or transfer of any lease, license or other contract;
 - (b) contained in mortgages, charges, pledges or other security agreements permitted under the Indenture or securing Indebtedness of the Issuer or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer of the property or assets subject to such mortgages, charges, pledges or other security agreements; or

- (c) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Issuer or any Restricted Subsidiary;
- (5) any encumbrance or restriction pursuant to Purchase Money Obligations and Capitalized Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired, or any encumbrance or restriction pursuant to a joint venture agreement that imposes restrictions on the distribution or transfer of the assets or Capital Stock of the joint venture;
- (6) any encumbrance or restriction with respect to a Restricted Subsidiary (or any of its property or assets) imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all, or substantially all, the Capital Stock or assets of such Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;
- (7) customary provisions in leases, licenses, joint venture agreements and other similar agreements and instruments entered into in the ordinary course of business;
- (8) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;
- (9) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business;
- (10) any encumbrance or restriction pursuant to Currency Agreements, Interest Rate Agreements or Commodity Hedging Agreements;
- (11) any encumbrance or restriction arising pursuant to an agreement or instrument (a) relating to any Indebtedness permitted to be Incurred subsequent to the Original Notes Issue Date pursuant to the provisions of the covenant described under “—*Limitation on Indebtedness*” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders of the Notes than (i) the encumbrances and restrictions contained in the Indenture or the Super Senior Facilities, together with the security documents associated therewith, or the Intercreditor Agreement, in each case, as in effect on the Original Notes Issue Date or (ii) as is customary in comparable financings (as determined in good faith by the Board of Directors or an Officer of the Issuer) or where the Issuer determines that such encumbrance or restriction will not adversely affect in any material respect the Issuer’s ability to make principal or interest payments on the Notes or (b) constituting an Additional Intercreditor Agreement;
- (12) restrictions effected in connection with a Qualified Receivables Financing that, in the good faith determination of the Board of Directors or, an Officer or of the Issuer, are necessary or advisable to effect such Qualified Receivables Financing; or
- (13) any encumbrance or restriction existing by reason of any lien permitted under “—*Limitation on Liens.*”

Limitation on Sales of Assets and Subsidiary Stock

The Issuer will not, and will not permit any Restricted Subsidiary to, consummate any Asset Disposition unless:

- (1) the consideration the Issuer or such Restricted Subsidiary receives (including by way of relief from, or by any Person assuming responsibility for, any liabilities, contingent or otherwise) for such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap) is not less than the fair market value of the assets sold (as determined by the Issuer’s Board of Directors); and
- (2) except where the Asset Disposition is a Permitted Asset Swap, at least 75% of the consideration the Issuer or such Restricted Subsidiary receives in respect of such Asset Disposition or series of related Asset Dispositions consists of:
 - (i) cash (including any Net Cash Proceeds received from the conversion within 180 days of such Asset Disposition of securities, notes or other obligations received in consideration of such Asset Disposition);
 - (ii) Cash Equivalents;
 - (iii) the assumption by the purchaser of (x) any liabilities recorded on the Issuer’s or such Restricted Subsidiary’s consolidated balance sheet or the notes thereto (or, if Incurred since the date of the latest balance sheet, that would be recorded on the next balance sheet) (other than Subordinated Indebtedness), as a result of which neither the Issuer, nor any of the Restricted Subsidiaries remains obligated in respect of such liabilities or (y) Indebtedness of a Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, if the Issuer and each other Restricted Subsidiary is released from any guarantee of such Indebtedness as a result of such Asset Disposition;

- (iv) Replacement Assets;
- (v) any Capital Stock or assets of the kind referred to in clause (D) or (F) in the second paragraph of this covenant;
- (vi) consideration consisting of Indebtedness of the Issuer or any Guarantor received from Persons who are not the Issuer or any Restricted Subsidiary, but only to the extent that such Indebtedness (i) has been extinguished by the Issuer or the applicable Guarantor and (ii) is not Subordinated Indebtedness of the Issuer or such Guarantor;
- (vii) any Designated Non-Cash Consideration received by the Issuer or any Restricted Subsidiary, having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at any one time outstanding, not to exceed the greater of €19.0 million and 30% of Consolidated EBITDA (with the fair market value of each issue of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value); or
- (viii) a combination of the consideration specified in clauses (i) through (vii) of this clause (2).

If the Issuer or any Restricted Subsidiary consummates an Asset Disposition, the Net Cash Proceeds of the Asset Disposition received by the Issuer or a Restricted Subsidiary, within 365 days (or 545 days in the circumstances described in clause (H) below) of the later of (i) the date of completion of such Asset Disposition and (ii) the receipt of such Net Cash Proceeds, may be used by the Issuer or such Restricted Subsidiary to:

- (A) (i) prepay, repay, purchase or redeem any Indebtedness Incurred under clause (1) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*” or any Refinancing Indebtedness in respect thereof, (ii) unless included in (A)(i), prepay, repay, purchase or redeem Notes or Indebtedness that is secured by a Lien on the Collateral and that is not subordinated in right of payment to the Notes, (iii) prepay, repay, purchase or redeem Indebtedness that is not subordinated in right of payment to the Notes that is secured on assets which do not constitute Collateral, or (iv) prepay, repay, purchase or redeem any Indebtedness of a Restricted Subsidiary that is not a Guarantor (in each case other than Subordinated Indebtedness of the Issuer or a Guarantor or Indebtedness owed to the Issuer or any Restricted Subsidiary); *provided* that the Issuer shall prepay, repay, purchase or redeem Public Debt (other than the Notes) pursuant to clause (ii) only if the Issuer either (1) reduces the aggregate principal amount of the Notes on an equal and ratable basis with any such Indebtedness by purchasing Notes through open-market purchases or in privately negotiated transactions at market prices or (2) makes (at such time or in compliance with this covenant) an offer to Holders to purchase their Notes in accordance with the provisions set forth below for an Asset Disposition Offer for an aggregate principal amount of Notes equal to the proportion that (x) the total aggregate principal amount of Notes outstanding bears to (y) the sum total aggregate principal amount of the Notes outstanding plus the total aggregate principal amount outstanding of such Indebtedness (other than the Notes);
- (B) purchase any series of Notes pursuant to an offer to all Holders of such Notes at a purchase price in cash equal to at least 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to, but not including, the date of purchase (subject to the right of Holders of relevant record on the record date to receive interest due on the relevant interest payment date);
- (C) invest in any Replacement Assets;
- (D) acquire all or substantially all of the assets of, or any Capital Stock of, another Similar Business, if, after giving effect to any such acquisition of Capital Stock, the Similar Business is or becomes a Restricted Subsidiary;
- (E) make a capital expenditure;
- (F) acquire other assets (other than Capital Stock and cash or Cash Equivalents) that are used or useful in a Similar Business;
- (G) consummate any combination of the foregoing; or
- (H) enter into a binding commitment to apply the Net Cash Proceeds pursuant to clause (A), (C), (D), (E) or (F) of this paragraph or a combination thereof,

provided that, a binding commitment shall be treated as a permitted application of the Net Cash Proceeds from the date of such commitment until the earlier of (x) the date on which such investment is consummated and (y) the 180th day following the expiration of the aforementioned 365 day period, if the investment has not been consummated by that date.

The amount of such Net Cash Proceeds not so used as set forth in this paragraph constitutes “*Excess Proceeds*.” Pending the final application of any such Net Cash Proceeds, the Issuer and its Restricted Subsidiaries may temporarily reduce revolving credit borrowings or other Indebtedness or otherwise invest such Net Cash Proceeds in any manner that is not prohibited by the terms of the Indenture.

On the 366th day (or the 546th day if a binding commitment as described in clause (H) is entered into) after an Asset Disposition, or such earlier time if the Issuer elects, if the aggregate amount of Excess Proceeds exceeds €20.0 million, the Issuer will be required within 10 Business Days thereof to make an offer (“*Asset Disposition Offer*”) to all Holders and, to the extent the Issuer elects, to all holders of other outstanding Pari Passu Indebtedness, to purchase the maximum principal amount of Notes and any such Pari Passu Indebtedness to which the Asset Disposition Offer applies that may be purchased out of the Excess Proceeds, at an offer price in respect of the Notes in an amount equal to (and, in the case of any Pari Passu Indebtedness, an offer price of no more than) 100% of the principal amount of the Notes and 100% of the principal amount of Pari Passu Indebtedness, in each case, plus accrued and unpaid interest, if any, to, but not including, the date of purchase, in accordance with the procedures set forth in the Indenture or the agreements governing the Pari Passu Indebtedness, as applicable, in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof in the case of the Notes.

To the extent that the aggregate amount of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to an Asset Disposition Offer is less than the Excess Proceeds, the Issuer may use any remaining Excess Proceeds for general corporate purposes, subject to other covenants contained in the Indenture. If the aggregate principal amount of the Notes surrendered in any Asset Disposition Offer by Holders and other Pari Passu Indebtedness surrendered by holders or lenders, collectively, exceeds the amount of Excess Proceeds, the Excess Proceeds shall be allocated among the Notes and Pari Passu Indebtedness to be repaid or purchased on a pro rata basis on the basis of the aggregate principal amount of tendered Notes and Pari Passu Indebtedness. For the purposes of calculating the principal amount of any such Indebtedness not denominated in euro, such Indebtedness shall be calculated by converting any such principal amounts into their Euro Equivalent determined as of a date selected by the Issuer that is within the Asset Disposition Offer Period (as defined below). Upon completion of any Asset Disposition Offer, the amount of Excess Proceeds shall be reset at zero.

To the extent that any portion of Net Available Cash payable in respect of the Notes is denominated in a currency other than the currency in which the relevant Notes are denominated, the amount thereof payable in respect of such Notes shall not exceed the net amount of funds in the currency in which such Notes are denominated that is actually received by the Issuer upon converting such portion of the Net Available Cash into such currency.

The Asset Disposition Offer, in so far as it relates to the Notes, will remain open for a period of not less than 20 Business Days following its commencement (the “*Asset Disposition Offer Period*”). No later than five Business Days after the termination of the Asset Disposition Offer Period (the “*Asset Disposition Purchase Date*”), the Issuer will purchase the principal amount of Notes and, to the extent it elects, Pari Passu Indebtedness required to be repaid or purchased by it pursuant to this covenant (the “*Asset Disposition Offer Amount*”) or, if less than the Asset Disposition Offer Amount has been so validly tendered, all Notes and Pari Passu Indebtedness validly tendered in response to the Asset Disposition Offer.

On or before the Asset Disposition Purchase Date, the Issuer will, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Asset Disposition Offer Amount of Notes and Pari Passu Indebtedness or portions of Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn pursuant to the Asset Disposition Offer, or if less than the Asset Disposition Offer Amount has been validly tendered and not properly withdrawn, all Notes and Pari Passu Indebtedness so validly tendered and not properly withdrawn and in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Issuer will deliver to the Trustee an Officer’s Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this covenant. The Issuer or the Paying Agent, as the case may be, will promptly (but, in any case, not later than five Business Days after termination of the Asset Disposition Offer Period) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such Holder, and accepted by the Issuer for purchase, and the Issuer will promptly issue a new Note (or amend the applicable Global Note), and the Trustee (or an authenticating agent), upon delivery of an Officer’s Certificate from the Issuer, will authenticate and mail or deliver (or cause to be transferred by book-entry) such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount with a minimum denomination of €100,000. Any Note not so accepted will be promptly mailed or delivered (or transferred by book-entry) by the Issuer to the Holder thereof.

The Issuer will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of Notes pursuant to the Indenture. To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance.

Limitation on Affiliate Transactions

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into or conduct any transaction or series of related transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Issuer (any such transaction or series of related transactions being an “*Affiliate Transaction*”) involving aggregate value in excess of €2.0 million unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Issuer or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm’s length dealings with a Person who is not such an Affiliate;
- (2) in the event such Affiliate Transaction involves an aggregate value in excess of €10.0 million, the terms of such transaction or series of related transactions have been approved by a resolution of the majority of the disinterested members of the Board of Directors of the Issuer resolving that such transaction complies with clause (1) above; and
- (3) in the event such Affiliate Transaction involves an aggregate consideration in excess of €25.0 million, the Issuer has received a written opinion (a “*Fairness Opinion*”) from an Independent Financial Advisor that such Affiliate Transaction is fair, from a financial standpoint, to the Issuer and its Restricted Subsidiaries or that the terms are not materially less favorable than those that could reasonably have been obtained in a comparable transaction at such time on an arm’s length basis from a Person that is not an Affiliate.

The provisions of the preceding paragraph will not apply to:

- (1) any Restricted Payment permitted to be made pursuant to the covenant described under “—*Limitation on Restricted Payments*,” any Permitted Payments (other than pursuant to clause (9)(b)(ii) of the third paragraph of the covenant described under “—*Limitation on Restricted Payments*”) or any Permitted Investment (other than Permitted Investments as defined in paragraphs (1)(b) and (2) of the definition thereof);
- (2) any issuance or sale of Capital Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Issuer, any Restricted Subsidiary or any Parent, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants’ plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Issuer, in each case in the ordinary course of business;
- (3) any Management Advances and any waiver or transaction with respect thereto;
- (4) any transaction between or among the Issuer and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction), or between or among Restricted Subsidiaries or any Receivables Subsidiary;
- (5) the payment of reasonable fees and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees of the Issuer, any Restricted Subsidiary or any Parent (whether directly or indirectly and including through any Person owned or controlled by any of such directors, officers or employees);
- (6) (i) the Original Notes Transactions, (ii) the entry into and performance of obligations of the Issuer or any of its Restricted Subsidiaries under the terms of any transaction pursuant to or contemplated by, and any payments pursuant to or for purposes of funding, any agreement, understanding or instrument in effect as of or on the Original Notes Issue Date or described in “*Related Party Transactions*” in the Original Notes

Offering Memorandum, as these agreements and instruments may be amended, modified, supplemented, extended, renewed, replaced or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect, and (iii) the entry into and performance of any registration rights or other listing agreement;

- (7) the execution, delivery and performance of any Tax Sharing Agreement or any arrangement pursuant to which the Issuer or any of its Subsidiaries or any Parent is required or permitted to file a consolidated tax return, or the formation and maintenance of any consolidated group for tax, accounting or cash pooling or management purposes in the ordinary course of business, provided that any such consolidated group arrangement does not permit or require cash payment by the Issuer to any Parent in excess of the amount of Tax that would be payable by the Issuer and its Restricted Subsidiaries on a stand-alone basis;
- (8) transactions with customers, clients, suppliers or purchasers or sellers of goods or services (including, without limitation, pursuant to joint venture arrangements), in each case in the ordinary course of business, which are fair to the Issuer or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or an Officer of the Issuer or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (9) any transaction in the ordinary course of business between or among the Issuer or any Restricted Subsidiary and any Affiliate of the Issuer or an Associate or similar entity that would constitute an Affiliate Transaction solely because the Issuer or a Restricted Subsidiary or any Affiliate of the Issuer or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;
- (10) (a) issuances or sales of Capital Stock (other than Disqualified Stock or Designated Preference Shares) of the Issuer or options, warrants or other rights to acquire Capital Stock or Subordinated Shareholder Funding; *provided* that the interest rate and other financial terms of such Subordinated Shareholder Funding are approved by a majority of the members of the Board of Directors in their reasonable determination and (b) any amendment, waiver or other transaction with respect to any Subordinated Shareholder Funding in compliance with the other provisions of the Indenture, the Intercreditor Agreement or any Additional Intercreditor Agreement, as applicable;
- (11) (a) payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent) of management, consulting, monitoring or advisory fees and related expenses, and investor fees in an aggregate amount not to exceed €2.0 million in any 12-month period; (b) customary payments by the Issuer or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, and including through any Parent) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities (including, in each case, related costs, taxes and expenses), including in connection with loans, equity, capital market transactions, acquisitions or divestitures, investments or joint ventures, which payments (or agreements providing for such payments) in respect of this clause (11) are approved by a majority of the Board of Directors of the Issuer in good faith; and (c) all reasonable out of pocket costs and expenses incurred by the Investors or any Permitted Holder in connection with its direct or indirect investment in the Issuer and its Restricted Subsidiaries (but, for the avoidance of doubt, excluding in respect of the acquisition of shares in the Issuer and its Restricted Subsidiaries to the extent such payment would violate financial assistance restrictions under applicable law);
- (12) any transactions for which the Issuer or a Restricted Subsidiary delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is (i) fair to the Issuer or such Restricted Subsidiary from a financial standpoint or (ii) on terms not less favorable than might have been obtained in a comparable transaction at such time on an arm's length basis from a Person who is not an Affiliate;
- (13) investments by any of the Investors in securities of the Issuer or any of the Issuer's Restricted Subsidiaries (and the payment of reasonable out of pocket expenses of the Investors in connection therewith) so long as (i) the investment complies with clause (1) of the preceding paragraph, (ii) the investment is being offered generally to other investors on the same or more favorable terms and (iii) the investment constitutes less than 10% of the proposed issue amount of such class of securities;
- (14) any participation in a public tender or exchange offers for securities or debt instruments issued by the Issuer or any of its Subsidiaries that are conducted on arms' length terms and provide for the same price or exchange ratio, as the case may be, to all holders accepting such tender or exchange offer; and
- (15) any transaction effected as part of a Qualified Receivables Financing.

Reports

So long as any Notes are outstanding, the Issuer will furnish to the Trustee the following reports:

- (1) within 120 days of the end of the Issuer's fiscal year beginning with the fiscal year ended December 31, 2020, annual reports containing, to the extent applicable:
 - (i) an operating and financial review of the audited financial statements, including a discussion of the results of operation, financial condition, consolidated EBITDA and liquidity and capital resources;
 - (ii) unaudited pro forma income statement and balance sheet information of the Issuer (which, for the avoidance of doubt, shall not include provision of a full income statement or balance sheet to the extent not reasonably available, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such annual report relates; provided further that, if such pro forma financial information is not reasonably available, the Issuer will provide, in the case of a material acquisition, acquired company financials;
 - (iii) the audited consolidated balance sheet of the Issuer as at the end of the most recent fiscal year and audited consolidated income statements and statements of cash flow of the Issuer for the most recent two fiscal years, including appropriate footnotes to such financial statements, for and as at the end of such fiscal years and the report of the independent auditors on the financial statements;
 - (iv) a description of the business, management and shareholders of the Issuer, all material affiliate transactions, and a description of all material debt instruments; and
 - (v) a description of material operational risk factors and material subsequent events.
- (2) within 60 days of the end of the first, second and third fiscal quarters in each fiscal year of the Issuer beginning with the fiscal quarter ended March 31, 2021, quarterly financial statements of the Issuer containing the following information:
 - (i) the Issuer's unaudited condensed consolidated balance sheet as at the end of such quarter and unaudited condensed statements of income and cash flow for the most recent quarter year to date period ending on the unaudited condensed balance sheet date and the comparable prior period, together with condensed footnote disclosure;
 - (ii) unaudited pro forma income statement and balance sheet information of the Issuer, together with explanatory footnotes, for any material acquisitions, dispositions or recapitalizations that have occurred since the beginning of the most recently completed fiscal year as to which such quarterly report relates (provided that such pro forma financial information will be provided only to the extent available without unreasonable expense, in which case the Issuer will provide, in the case of a material acquisition, acquired company financials);
 - (iii) an operating and financial review of the unaudited financial statements, including a discussion of the consolidated financial condition, results of operations, consolidated EBITDA and material changes in liquidity and capital resources of the Issuer;
 - (iv) a discussion of material changes in material debt instruments since the most recent report; and
 - (v) material subsequent events and any material changes to the risk factors disclosed in the most recent annual report, *provided* that the information described in clauses (iv) and (v) may be provided in the footnotes to such financial statements; and
- (3) promptly after the occurrence of a material event that the Issuer announces publicly or any acquisition, disposition or restructuring, merger or similar transaction that is material to the Issuer and the Restricted Subsidiaries, taken as a whole, or a senior executive officer or director changes at the Issuer or a change in auditors of the Issuer, a report containing a description of such event.

So long as the Notes are outstanding, the Issuer will also, within five Business Days after furnishing to the Trustee the annual and quarterly reports required by clauses (1) and (2) of the first paragraph of this "Reports" covenant, hold a conference call to discuss such reports and the results of operations for the relevant reporting period. The Issuer shall provide notice of the conference call no fewer than three Business Days prior to the date of the conference call required to be held in accordance with this paragraph, announcing the time and date of such conference call and either including all information necessary to access the call or directing parties to contact the appropriate person at the Issuer to obtain such information.

In addition, the Issuer shall furnish to the Holders and to prospective investors, upon the request of such parties, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act for so long as the Notes are not freely transferable under the Exchange Act by persons who are not “affiliates” under the Securities Act.

Contemporaneously with the furnishing of each such report discussed above, the Issuer will also post such report on the Issuer’s website.

The Issuer shall also make available to Holders and prospective holders of the Notes copies of all reports furnished to the Trustee on the Issuer’s website and if and so long as the Notes are listed on the Official List of The International Stock Exchange and to the extent that the rules and regulations of the Authority so require, by posting such reports on the official website of the Authority (www.tisegroup.com/).

All financial statement information shall be prepared in accordance with IFRS as in effect on the date of such report or financial statement (or otherwise on the basis of IFRS as then in effect) and on a consistent basis for the periods presented, except as may otherwise be described in such information; *provided, however*, that the reports set forth in clauses (1), (2) and (3) above may, in the event of a change in IFRS, present earlier periods on a basis that applied to such periods. No report need include separate financial statements for any Subsidiaries of the Issuer or any disclosure with respect to the results of operations or any other financial or statistical disclosure not of a type included in the Original Notes Offering Memorandum. In addition, the reports set forth above will not be required to contain any reconciliation to U.S. generally accepted accounting principles.

To the extent comparable prior period financial information of the Issuer does not exist, the comparable prior period financial information of the Company or special purpose financial information of the Issuer (incorporating such Company financial information) may be provided in lieu thereof.

Notwithstanding the foregoing, the Issuer may satisfy its obligations under clauses (1) and (2) of the first paragraph of this covenant by delivering the corresponding consolidated annual and quarterly reports of any Parent. To the extent that material differences exist between the management, business, assets, shareholding or results of operations or financial condition of the Issuer or any Parent that is the reporting entity (if applicable), the annual and quarterly reports shall include an explanation and an unaudited reconciliation of such material differences. Following an IPO on the Capital Stock of the Issuer or any Parent or Subsidiary thereof and/or the listing of such Capital Stock on an internationally recognized stock exchange, the requirements of this covenant shall be considered to have been fulfilled if the IPO Entity complies with the reporting requirements of such stock exchange and reports consolidated EBITDA and, if the IPO Entity is different than the Issuer following such IPO, and material differences exist between the assets, results of operations or financial condition of the IPO Entity and the Issuer, then the annual and interim reports shall include an explanation and an unaudited reconciliation of such material differences.

At any time that any of the Issuer’s subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or a group of Unrestricted Subsidiaries, taken as a whole, constitutes a Significant Subsidiary of the Issuer, then the quarterly and annual financial information required by the first paragraph of this “—Reports” covenant will include (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer or (ii) stand-alone audited or unaudited financial statements, as the case may be, of such Unrestricted Subsidiary or Unrestricted Subsidiaries, together with an unaudited reconciliation to the financial information of the Issuer and its subsidiaries, which reconciliation shall include the following items: revenues, consolidated EBITDA, net income, cash, total assets, total debt, shareholder equity, capital expenditures and interest expense.

For the purposes of this covenant, IFRS shall be deemed to be IFRS as in effect from time to time, without giving effect to the proviso in the definition thereof.

All reports provided pursuant to this “—Reports” covenant shall be made in the English language.

In the event that (i) the Issuer becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, for so long as it continues to file the reports required by Section 13(a) with the SEC or (ii) the Issuer elects to provide to the Trustee reports which, if filed with the SEC, would satisfy (in the good faith judgment of the Issuer) the reporting requirements of Section 13(a) or 15(d) of the Exchange Act (other than the provision of U.S. GAAP information, certifications, exhibits or information as

to internal controls and procedures), for so long as it elects, the Issuer will make available to the Trustee such annual reports, information, documents and other reports that the Issuer is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Issuer will be deemed to have complied with the provisions contained in the preceding paragraphs.

Delivery of the above reports to the Trustee is for informational purposes only and the Trustee's receipt of such reports will not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's or any other parties' compliance with any of its covenants in the Indenture (as to which the Trustee will be entitled to rely exclusively on Officer's Certificates that are delivered).

Merger and Consolidation

The Issuer

The Issuer will not consolidate with or merge with or into, or assign, convey, transfer, lease or otherwise dispose of all or substantially all the assets of the Issuer and its Restricted Subsidiaries, taken as a whole, in one transaction or a series of related transactions to, any Person, unless:

- (1) the resulting, surviving or transferee Person (the "*Successor Issuer*") will be a Person organized and existing under the laws of any member state of the European Union, or the United States of America, any State of the United States or the District of Columbia, Canada or any province of Canada, Norway or Switzerland and the Successor Issuer (if not the Issuer) will expressly assume, (a) by supplemental indenture, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, all the obligations of the Issuer under the Notes and the Indenture and (b) all obligations of the Issuer under the Intercreditor Agreement and the relevant Security Documents, as applicable;
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the Successor Issuer or any Subsidiary of the Successor Issuer as a result of such transaction as having been Incurred by the Successor Issuer or such Subsidiary at the time of such transaction), no Default or Event of Default shall have occurred and be continuing;
- (3) immediately after giving effect to such transaction, either (a) the Successor Issuer would be able to Incur at least an additional €1.00 of Indebtedness pursuant to the Fixed Charge Coverage Ratio contained in the first paragraph of the covenant described under "*—Limitation on Indebtedness*" or (b) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such transaction; and
- (4) the Issuer shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each to the effect that such consolidation, merger or transfer and such supplemental indenture (if any) comply with the Indenture and an Opinion of Counsel to the effect that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Issuer (in each case, in form and substance reasonably satisfactory to the Trustee), *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer's Certificate as to any matters of fact.

Any Indebtedness that becomes an obligation of the Issuer or any Restricted Subsidiary (or that is deemed to be Incurred by any Restricted Subsidiary that becomes a Restricted Subsidiary) as a result of any such transaction undertaken in compliance with this covenant, and any Refinancing Indebtedness with respect thereto, shall be deemed to have been Incurred in compliance with the covenant described under "*—Limitation on Indebtedness*."

For purposes of this covenant, the sale, lease, conveyance, assignment, transfer, or other disposition of all or substantially all of the properties and assets of one or more Subsidiaries of the Issuer, which properties and assets, if held by the Issuer instead of such Subsidiaries, would constitute all or substantially all of the properties and assets of the Issuer on a consolidated basis, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Issuer.

The Successor Issuer will succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Indenture but in the case of a lease of all or substantially all its assets, the predecessor company will not be released from its obligations under the Indenture or the Notes.

There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, in certain circumstances, there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions (other than the requirements of clause (2) of the first paragraph of this “—*Merger and Consolidation*” covenant) shall not apply to (i) any transactions which constitute an Asset Disposition if the Issuer has complied with the covenant described under “—*Limitation on Sales of Assets and Subsidiary Stock*” or (ii) the creation of a new Subsidiary as a Restricted Subsidiary.

Guarantors

No Guarantor (other than a Guarantor whose guarantee is to be released in accordance with the terms of the Indenture or the Intercreditor Agreement) may:

- (1) consolidate with or merge with or into any Person (whether or not such Guarantor is the surviving corporation);
- (2) sell, assign, convey, transfer, lease or otherwise dispose of, all or substantially all of the assets of such Guarantor and its Restricted Subsidiaries taken as a whole, in one transaction or a series of related transactions, to any Person; or
- (3) permit any Person to merge with or into it unless:
 - (A) the other Person is the Issuer or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor;
 - (B) (1) either (x) a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Guarantee and the Indenture (pursuant to a supplemental indenture executed and delivered in a form reasonably satisfactory to the Trustee); and (2) immediately after giving effect to the transaction, no Default or Event of Default shall have occurred and is continuing; or
 - (C) the transaction constitutes a sale or other disposition (including by way of consolidation or merger) of a Guarantor or the sale or disposition of all or substantially all the assets of a Guarantor (in each case other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture,

provided, however, that the prohibition in clauses (1), (2) and (3) of this paragraph shall not apply to the extent that compliance with paragraphs (A) and (B)(1) could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses.

The provisions set forth in this “—*Merger and Consolidation*” covenant shall not restrict (and shall not apply to): (i) any Restricted Subsidiary that is not a Guarantor from consolidating with, merging or liquidating into or transferring all or substantially all of its properties and assets to the Issuer, a Guarantor or any other Restricted Subsidiary; (ii) a Guarantor from merging or liquidating into or transferring all or part of its properties and assets to the Issuer or another Guarantor; (iii) any consolidation or merger of the Issuer into any Guarantor; provided that, if the Issuer is not the surviving entity of such merger or consolidation, the relevant Guarantor will assume the obligations of the Issuer under the Notes, the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Security Documents, as applicable, and clauses (1) and (4) under the heading “—*The Issuer*” shall apply to such transaction (iv) a Permitted Reorganization and (v) the Issuer or a Guarantor changing legal domicile or legal form or consolidating into or merging or combining with an Affiliate incorporated or organized for the purpose of changing the legal domicile of such entity, reincorporating such entity in another jurisdiction, or changing the legal form of such entity; *provided, however*, that clauses (1), (2) and (4) under the heading “—*The Issuer*” or clauses (3)(A) and (3)(B) under the heading “—*Guarantors*,” as the case may be, shall apply to any such transaction.

Suspension of Covenants on Achievement of Investment Grade Status

If, on any date following the Original Notes Issue Date, the Notes have achieved Investment Grade Status and no Default or Event of Default has occurred and is continuing (a “*Suspension Event*”), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (the “*Reversion Date*”), the provisions of the Indenture summarized under the following captions will not apply to the Notes:

- (1) “—*Limitation on Restricted Payments*”;

- (2) “—*Limitation on Indebtedness*”;
- (3) “—*Limitation on Restrictions on Distributions from Restricted Subsidiaries*”;
- (4) “—*Limitation on Affiliate Transactions*”;
- (5) “—*Impairment of Security Interest*”;
- (6) “—*Future Guarantees*”;
- (7) “—*Limitation on Sales of Assets and Subsidiary Stock*”; and
- (8) the provisions of clause (3) of the first paragraph of the covenant described under “—*Merger and Consolidation—The Issuer*,”

and, in each case, any related default provision of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries.

Such covenants and any related default provisions will again apply according to their terms from the first day on which a Suspension Event ceases to be in effect. Such covenants will not, however, be of any effect with regard to actions of the Issuer or any of its Restricted Subsidiaries properly taken during the continuance of the Suspension Event, and no action taken prior to the Reversion Date will constitute a Default or Event of Default. The “—*Limitation on Restricted Payments*” covenant will be interpreted as if it has been in effect since the date of the Indenture but not during the continuance of the Suspension Event. On the Reversion Date, all Indebtedness Incurred during the continuance of the Suspension Event will be deemed to have been outstanding on the Original Notes Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of the covenant described under “—*Limitation on Indebtedness*.” In addition, the Indenture also permits, without causing a Default or Event of Default, the Issuer or any of the Restricted Subsidiaries to honor any contractual commitments or take actions in the future after any date on which the Notes cease to have an Investment Grade Status as long as the contractual commitments were entered into during the Suspension Event and not in anticipation of the Notes no longer having an Investment Grade Status. The Issuer shall notify the Trustee and the Holders of the Notes that the conditions set forth in the first paragraph under this caption has been satisfied, *provided* that, no such notification shall be a condition for the suspension or reversion of the covenants described under this caption to be effective. The Trustee shall not be obliged to notify the Holders of such event. There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Impairment of Security Interest

The Issuer shall not, and shall not permit any Restricted Subsidiary to, and the Parent shall not, take or knowingly or negligently omit to take any action that would have the result of materially impairing the Security Interest with respect to the Collateral (it being understood, subject to the proviso below, that the Incurrence of Permitted Collateral Liens shall under no circumstances be deemed to materially impair the Security Interest with respect to the Collateral) for the benefit of the Trustee and the Holders, and the Issuer shall not, and shall not permit any Restricted Subsidiary to, grant to any Person other than the Security Agent, for the benefit of the Trustee and the Holders and the other beneficiaries described in the Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement, any interest whatsoever in any of the Collateral, except that (i) the Issuer and its Restricted Subsidiaries may Incur Permitted Collateral Liens and may effect a Permitted Reorganization and an IPO Release, and the Collateral may be discharged and released and retaken, and the applicable Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released, if applicable, in accordance with the Indenture, the applicable Security Documents or the Intercreditor Agreement or any Additional Intercreditor Agreement and (ii) the applicable Security Documents may be amended, extended, renewed, restated, supplemented or otherwise modified, replaced or released, from time to time to cure any ambiguity, mistake, omission, defect or inconsistency therein; *provided, however*, that in the case of clause (i) above, except with respect to any discharge or release in accordance with the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement, the Incurrence of Permitted Collateral Liens or any action expressly permitted by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement, the Security Documents may not be amended, extended, renewed, restated, supplemented, released and retaken, if applicable, or otherwise modified or replaced, unless contemporaneously with any such action, the Issuer delivers to the Trustee and the Security Agent, either (1) a solvency opinion, in form and substance reasonably satisfactory to the Trustee and the Security Agent from an Independent Financial Advisor confirming the solvency of the Issuer and its Subsidiaries, taken as a whole, after giving effect to any transactions related to such amendment extension, renewal, restatement, supplement, release, modification or replacement, (2) a certificate from the Board of Directors of the relevant Person which confirms

the solvency of the person granting such Security Interest after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement or (3) an Opinion of Counsel, in form and substance reasonably satisfactory to the Trustee and the Security Agent, confirming that, after giving effect to any transactions related to such amendment, extension, renewal, restatement, supplement, release, modification or replacement, the Lien or Liens created under the Security Documents, so amended, extended, renewed, restated, supplemented, released, modified or replaced are valid Liens not otherwise subject to any limitation, imperfection or new hardening period, in equity or at law, that such Lien or Liens were not otherwise subject to immediately prior to such amendment, extension, renewal, restatement, supplement, release, modification or replacement.

In the event that the Issuer complies with the requirements of this covenant, the Trustee and the Security Agent shall (subject to customary protections and indemnifications) consent to such amendments without the need for instructions from the Holders.

Future Guarantees

Notwithstanding anything to the contrary in this covenant, no Restricted Subsidiary shall Guarantee the Indebtedness outstanding under the Super Senior Facilities, any other Indebtedness with an aggregate outstanding principal amount in excess of €10.0 million or any other Public Debt, in each case of the Issuer or a Guarantor unless such Restricted Subsidiary is or becomes a Guarantor on the date on which the Guarantee is Incurred and, if applicable, executes and delivers to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary will provide a Guarantee, which Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's guarantee of such other Indebtedness; *provided*, however, that such Restricted Subsidiary shall not be obligated to become such a Guarantor to the extent and for so long as the Incurrence of such Guarantee is contrary to the Agreed Security Principles or the Intercreditor Agreement or any Additional Intercreditor Agreement, or could give rise to or result in: (1) any breach or violation of statutory limitations, corporate benefit, financial assistance, fraudulent preference, thin capitalization rules, capital maintenance rules, guidance and coordination rules or the laws rules or regulations (or analogous restriction) of any applicable jurisdiction; (2) any risk or liability for the officers, directors or (except in the case of a Restricted Subsidiary that is a partnership) shareholders of such Restricted Subsidiary (or, in the case of a Restricted Subsidiary that is a partnership, directors or shareholders of the partners of such partnership); or (3) any cost, expense, liability or obligation (including with respect to any Taxes) other than reasonable out of pocket expenses. At the option of the Issuer, any Guarantee may contain limitations on Guarantor liability to the extent reasonably necessary.

Guarantees granted pursuant to this provision shall be released as set forth under “—*Release of the Guarantees.*” A Guarantee of a Guarantor may also be released at the option of the Issuer if at the date of such release either (i) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Original Notes Issue Date and which could not have been Incurred in compliance with the Indenture if such Guarantor had not been designated as a Guarantor, or (ii) there is no Indebtedness of such Guarantor outstanding which was Incurred after the Original Notes Issue Date and which could not have been Incurred in compliance with the Indenture as at the date of such release if such Guarantor were not designated as a Guarantor as at that date. The Trustee and the Security Agent shall each take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Guarantee in accordance with these provisions, subject to customary protections and indemnifications.

The Agreed Security Principles apply to the granting of guarantees and security in favor of obligations under the Notes. The Agreed Security Principles include restrictions on the granting of guarantees where, among other things, such grant would be restricted by general statutory or other legal limitations or requirements, financial assistance, corporate benefit, fraudulent preference, “thin capitalization” rules, retention of title claims and similar principles. By virtue of such limitations, a Guarantor's obligation under its Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Guarantee.

The validity and enforceability of the Guarantees and the Security Interests and the liability of each Guarantor will be subject to the limitations as described and set out in “*Risk Factors*” and “*Limitations on Validity and Enforceability of the Security Interests and Certain Insolvency Law Considerations*” in the Offering Memorandum.

Release of the Guarantees

The Guarantee of a Guarantor will terminate and release:

- (1) upon a sale or other disposition (including by way of consolidation or merger) of the Capital Stock of the relevant Guarantor (whether by direct sale or sale of a holding company) or the sale or disposition of all or substantially all the assets of the Guarantor (other than to the Issuer or a Restricted Subsidiary) otherwise permitted by the Indenture;
- (2) upon the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary;
- (3) upon (i) defeasance or discharge of the Notes, as provided in “—*Defeasance*” and “—*Satisfaction and Discharge*” or (ii) the full and final payment and performance of all obligations of the Issuer and the Guarantors under the Indenture and the Notes;
- (4) with respect to a Guarantor that is not a Significant Subsidiary, so long as no Event of Default has occurred and is continuing, to the extent that such Guarantor is unconditionally released and discharged from its liability with respect to the Super Senior Facilities and does not guarantee any other Public Debt;
- (5) in accordance with an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (6) as described under “—*Amendments and Waivers*”;
- (7) as described in the covenant described under “—*Future Guarantees*”;
- (8) pursuant to a Permitted Reorganization or as a result of a transaction permitted by “—*Merger and Consolidation—Guarantors*”; or
- (9) upon the solvent liquidation or winding-up of a Guarantor.

At the request of the Issuer, the Trustee shall take all necessary actions, including the granting of releases or waivers under the Intercreditor Agreement or any Additional Intercreditor Agreement, to effectuate any release of a Guarantee in accordance with these provisions, subject to customary protections and indemnifications. Each of the releases set forth above shall be effected by the Trustee without the consent of the Holders. Neither the Trustee nor the Issuer will be required to make a notation on the Notes to reflect any such release, termination or discharge.

Additional Intercreditor Agreements

The Indenture provides that, at the request of the Issuer, in connection with the Incurrence by the Issuer or its Restricted Subsidiaries of any Indebtedness permitted pursuant to the covenant described under “—*Limitation on Indebtedness*” or as contemplated by the Intercreditor Agreement, the Issuer, the relevant Restricted Subsidiaries, the Trustee and the Security Agent shall enter into with the holders of such Indebtedness (or their duly authorized Representatives) an intercreditor agreement (an “*Additional Intercreditor Agreement*”) or a restatement, amendment or other modification of the existing Intercreditor Agreement on substantially the same terms as the Intercreditor Agreement (or terms not materially less favorable to the Holders), including containing substantially the same terms with respect to release of Guarantees and priority and release of the Security Interest; *provided* that such Additional Intercreditor Agreement will not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, as applicable, adversely affect the rights, duties, liabilities, indemnifications or immunities of the Trustee or Security Agent under the Indenture or the Intercreditor Agreement.

The Indenture also provides that, at the direction of the Issuer and without the consent of Holders, the Trustee and the Security Agent shall from time to time enter into one or more amendments to any Intercreditor Agreement or any Additional Intercreditor Agreement or any Security Document to: (1) cure any ambiguity, omission, defect or inconsistency of any such agreement, (2) increase the amount or types of Indebtedness covered by any such agreement that may be Incurred by the Issuer or any Restricted Subsidiary that is subject to any such agreement (including with respect to any Intercreditor Agreement or Additional Intercreditor Agreement, the addition of provisions relating to new Indebtedness ranking junior in right of payment to the Notes), (3) add Restricted Subsidiaries to the Intercreditor Agreement or an Additional Intercreditor Agreement, (4) further secure the Notes (including Subsequent Additional Notes), (5) make provision for equal and ratable pledges of the Collateral to secure Subsequent Additional Notes, (6) implement any Permitted Liens or Permitted Collateral Liens, (7) amend the Intercreditor Agreement or any Additional Intercreditor Agreement in accordance with the terms thereof or (8) make any other change to any such agreement that does not adversely affect the

Holders in any material respect. The Issuer shall not otherwise direct the Trustee or the Security Agent to enter into any amendment to any Intercreditor Agreement without the consent of the Holders of the majority in aggregate principal amount of the Notes then outstanding, except as otherwise permitted below under “—*Amendments and Waivers*” or as permitted by the terms of the Intercreditor Agreement or any Additional Intercreditor Agreement, and the Issuer may only direct the Trustee and the Security Agent to enter into any amendment to the extent such amendment does not impose any personal obligations on the Trustee or Security Agent or, in the opinion of the Trustee or Security Agent, adversely affect their respective rights, duties, liabilities, indemnifications or immunities under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Indenture shall also provide that, in relation to any Intercreditor Agreement or Additional Intercreditor Agreement, the Trustee (and Security Agent, if applicable) shall consent on behalf of the Holders to the payment, repayment, purchase, repurchase, defeasance, acquisition, retirement or redemption of any obligations subordinated to the Notes thereby; *provided, however*, that such transaction would comply with the covenant described under “—*Limitation on Restricted Payments*.”

The Indenture also provides that each Holder, by accepting a Note, shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement or any Additional Intercreditor Agreement, (whether then entered into or entered into in the future pursuant to the provisions described herein) and to have directed the Trustee and the Security Agent to enter into any such Additional Intercreditor Agreement. A copy of the Intercreditor Agreement or any Additional Intercreditor Agreement shall be made available for inspection during normal business hours on any Business Day upon prior written request at our offices or at the offices of the listing agent.

Maintenance of Listing

The Issuer will use its commercially reasonable efforts to maintain the listing of the Notes on the Official List of The International Stock Exchange for so long as such Notes are outstanding; provided that if at any time the Issuer determines that it will not maintain such listing, it will obtain prior to the delisting of the Notes from the Official List of The International Stock Exchange, and thereafter use its commercially reasonable efforts to maintain, a listing of such Notes on another recognized stock exchange.

Lines of Business

The Issuer will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Similar Business, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries, taken as a whole.

Financial Calculations

When calculating the availability under any basket or ratio under the Indenture, in each case in connection with any acquisition, disposition, merger, joint venture, investment, incurrence, payment, change of control or other similar transaction where there is a time difference between commitment and closing or payment or incurrence (including in respect of incurrence of Indebtedness, Restricted Payments and Permitted Investments), the date of determination of such basket or ratio and of any Default or Event of Default shall, at the option of the Issuer, be the date the binding or definitive agreements for such acquisition, disposition, merger, joint venture, investment, commitment, payment, change of control, transaction, event or other similar transaction are entered into and such baskets or ratios shall be calculated on a pro forma basis after giving effect to such acquisition, disposition, merger, joint venture, investment, indebtedness, payment, change of control or similar transaction and the other transactions to be entered into in connection therewith (including any incurrence of Indebtedness and the use of proceeds thereof) as if they occurred at the beginning of the applicable reference period for purposes of determining the ability to consummate any such transaction (and not for purposes of any subsequent availability of any basket or ratio). For the avoidance of doubt, (x) if any of such baskets or ratios are exceeded as a result of fluctuations in such basket or ratio (including due to fluctuations in Consolidated EBITDA of the Issuer or the target company) subsequent to such date of determination and at or prior to the consummation of the relevant transaction or arrangement, such baskets or ratios will not be deemed to have been exceeded as a result of such fluctuations solely for purposes of determining whether the relevant transaction or arrangement and the related transactions are permitted hereunder and (y) such baskets or ratios shall not be tested at the time of consummation of such transaction or arrangement or related transactions; *provided* that if the Issuer elects to have such determinations occur at the time of entry into such definitive agreement, any such transactions

(including any Incurrence of Indebtedness and the use of proceeds thereof) shall be deemed to have occurred on the date the definitive agreements are entered and outstanding thereafter for purposes of calculating any baskets or ratios under the Indenture after the date of such agreement and before the consummation of such transaction or arrangement.

Events of Default

Each of the following is an “Event of Default” under the Indenture:

- (1) default in any payment of interest or Additional Amounts on any Note issued under the Indenture when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by the Issuer or any of its Restricted Subsidiaries or the Parent to comply for 60 days after written notice by the Trustee or the Holders of at least 25% in principal amount of the outstanding Notes with its other agreements contained in the Indenture (other than a default in performance, or breach, of a covenant or agreement which is specifically addressed in clauses (1) or (2) above);
- (4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is Guaranteed by the Issuer or any of its Restricted Subsidiaries) other than Indebtedness owed to the Issuer or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the Original Notes Issue Date, which default:
 - (a) is caused by a failure to pay principal at stated maturity on such Indebtedness, immediately upon the expiration of the grace period provided in such Indebtedness (“payment default”); or
 - (b) results in the acceleration of such Indebtedness prior to its maturity (the “*cross acceleration provision*”),and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates €25.0 million or more;
- (5) certain events of bankruptcy, insolvency or court protection of the Issuer or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the “*bankruptcy provisions*”);
- (6) failure by the Issuer or any Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Issuer and its Restricted Subsidiaries), would constitute a Significant Subsidiary to pay final judgments aggregating in excess of €25.0 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final (the “*judgment default provision*”);
- (7) any security interest under the Security Documents shall, at any time, cease to be in full force and effect (other than in accordance with the terms of the relevant Security Document, the Intercreditor Agreement, any Additional Intercreditor Agreement and the Indenture and except through the gross negligence or willful misconduct of the Trustee or Security Agent) with respect to Collateral having a fair market value in excess of €10.0 million for any reason other than the satisfaction in full of all obligations under the Indenture or the release of any such security interest in accordance with the terms of the Indenture, the Intercreditor Agreement, any Additional Intercreditor Agreement or the Security Documents or any such security interest created thereunder shall be declared invalid or unenforceable or the Issuer shall assert in writing that any such security interest is invalid or unenforceable, and (in each case) any such Default continues for 10 days; and
- (8) any Guarantee of a Significant Subsidiary ceases to be in full force and effect (other than in accordance with the terms of such Guarantee or the Indenture) or is declared invalid or unenforceable in a judicial proceeding or any Guarantor denies or disaffirms in writing its obligations under its Guarantee and (in each case) any such Default continues for 10 days.

However, a default under clause (3), (4) or (6) above will not constitute an Event of Default until the Trustee or the Holders of 25% in principal amount of the outstanding Notes under the Indenture notify the Issuer of the

default and, with respect to such clauses the Issuer does not cure such default within the time specified in such clauses, as applicable, of this paragraph after receipt of such notice.

If an Event of Default (other than an Event of Default described in clause (5) above) occurs and is continuing, the Trustee by notice to the Issuer or the Holders of at least 25% in principal amount of the outstanding Notes under the Indenture by written notice to the Issuer and the Trustee, may, and the Trustee at the request of such Holders shall, declare the principal of, premium, if any, and accrued and unpaid interest on all the Notes under the Indenture to be due and payable. Upon such a declaration, such principal, premium and accrued and unpaid interest will be due and payable immediately. The Trustee shall not be deemed to have notice of any Default or Event of Default unless a written notice of any event which is in fact such a default is received by a Responsible Officer of the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and the Indenture. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (4) above under “—*Events of Default*” has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the event of default or payment default triggering such Event of Default pursuant to clause (4) above shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, within 30 days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

If an Event of Default described in clause (5) above occurs and is continuing, the principal of, premium, if any, and accrued and unpaid interest on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture and may not enforce the Security Documents except as provided in such Security Documents and the Intercreditor Agreement or any Additional Intercreditor Agreement.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal, premium, interest or Additional Amounts, if any) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Subject to the provisions of the Indenture relating to the duties of the Trustee, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders have offered to the Trustee, and the Trustee has received, indemnity and/or security (including by way of pre-funding) satisfactory to the Trustee against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes, unless:

- (1) such Holder has previously given the Trustee notice that an Event of Default is continuing;
- (2) Holders of at least 25% in principal amount of the outstanding Notes have requested the Trustee to pursue the remedy;
- (3) such Holders have offered the Trustee security and/or indemnity satisfactory to it against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the request and the offer of security and/or indemnity; and
- (5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or of exercising any trust or power conferred on the Trustee.

The Indenture provides that, in the event an Event of Default has occurred and is continuing, of which a responsible officer of the Trustee has received written notice in accordance with the terms of the Indenture, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in

the conduct of its own affairs. The Trustee, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability. Prior to taking any action under the Indenture, the Trustee will be entitled to indemnification and/or security (including by way of pre-funding) satisfactory to it in its sole discretion against all losses and expenses caused by taking or not taking such action. Prior to the occurrence of an Event of Default, the Trustee will have no obligation to monitor compliance by the Issuer with the Indenture. The Indenture provides that if a Default occurs and is continuing and a responsible officer of the Trustee is informed in writing in accordance with the terms of the Indenture of such occurrence by the Issuer, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Issuer. Except in the case of a Default in the payment of principal of, or premium, if any, or interest on any Note, the Trustee may withhold notice if and so long as the Trustee determines that withholding notice is in the interests of the Holders. The Issuer is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default or Event of Default that occurred during the previous year. The Issuer is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Issuer is taking or proposes to take in respect thereof.

The Indenture provides that (i) if a Default occurs for a failure to deliver a required certificate in connection with another default (an "*Initial Default*") then at the time such Initial Default is cured, such Default for a failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled "*Certain Covenants—Reports*" or otherwise to deliver any notice or certificate pursuant to any other provision of the Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture.

The Indenture provides for the Trustee to take action on behalf of the Holders in certain circumstances, but only if the Trustee is indemnified and/or secured (including by way of pre-funding) to its satisfaction. It may not be possible for the Trustee to take certain actions in relation to the Notes and, accordingly, in such circumstances the Trustee will be unable to take action, notwithstanding the provision of an indemnity to it, and it will be for Holders to take action directly.

Amendments and Waivers

Subject to certain exceptions, the Notes Documents may be amended, supplemented or otherwise modified with the consent of Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of at least a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes). However, without the consent of Holders holding not less than 90% of the then outstanding principal amount of the Notes affected, then outstanding, an amendment or waiver may not, with respect to any Notes held by a non-consenting Holder:

- (1) reduce the principal amount of Notes whose Holders must consent to an amendment, waiver or modification;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any Note;
- (3) reduce the principal of or extend the Stated Maturity of any Note;
- (4) reduce the premium payable upon the redemption of any Note or change the time at which any Note may be redeemed, in each case as described above under "*—Optional Redemption*";
- (5) make any Note payable in money other than that stated in the Note;
- (6) impair the right of any Holder to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes;
- (7) make any change in the provision of the Indenture described under "*—Withholding Taxes*" that adversely affects the right of any Holder of such Notes in any material respect or amends the terms of such Notes in a way that would result in a loss of an exemption from any of the Taxes described thereunder or an exemption from any obligation to withhold or deduct Taxes so described thereunder, unless the Issuer or the applicable Payor agrees to pay Additional Amounts, if any, in respect thereof;

- (8) release all or substantially all of the security interests granted for the benefit of the Holders in the Collateral other than in accordance with the terms of the Intercreditor Agreement, any applicable Additional Intercreditor Agreement, the Indenture or the applicable Security Documents;
- (9) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest or Additional Amounts, if any, on the Notes (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);
- (10) release any Guarantor from any of its obligations under its Guarantee or the Indenture, except in accordance with the terms of the Indenture, the Intercreditor Agreement any applicable Additional Intercreditor Agreement; and
- (11) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence.

Notwithstanding the foregoing, without the consent of any Holder, the Issuer, the Trustee, the Security Agent and the other parties thereto, as applicable, may amend or supplement any Notes Documents to:

- (1) cure any ambiguity, omission, defect, error or inconsistency;
- (2) provide for the assumption by a successor Person of the obligations of the Issuer, or any Restricted Subsidiary under any Notes Document;
- (3) add to the covenants or provide for a Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Issuer or any Restricted Subsidiary;
- (4) make any change that would provide additional rights or benefits to the Trustee or the Holders or that does not adversely affect the rights or benefits to the Trustee or any of the Holders in any material respect under the Notes Documents;
- (5) make such provisions as necessary (as determined in good faith by the Board of Directors or an Officer of the Issuer) for the issuance of Subsequent Additional Notes;
- (6) to provide for any Restricted Subsidiary to provide a Guarantee in accordance with the covenants described under “—*Certain Covenants—Limitation on Indebtedness*” or “—*Certain Covenants—Future Guarantees*,” to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien (including the Collateral and the Security Documents) or any amendment in respect thereof with respect to or securing the Notes when such release, termination, discharge or retaking or amendment is provided for under the Indenture, the Security Documents, the Intercreditor Agreement or any Additional Intercreditor Agreement;
- (7) to conform the text of the Indenture, the Security Documents or the Notes to any provision of the “*Description of the Notes*” section of the Original Notes Offering Memorandum to the extent that such provision in the “*Description of the Notes*” was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents or the Notes;
- (8) to evidence and provide for the acceptance and appointment under the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement of a successor Trustee or Security Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or Security Agent to any Notes Document;
- (9) in the case of the Security Documents, to mortgage, pledge, hypothecate or grant a security interest in favor of the Security Agent for the benefit of the Holders or parties to the Super Senior Facilities, in any property which is required by the Security Documents or the Super Senior Facilities (as in effect on the Original Notes Issue Date) to be mortgaged, pledged or hypothecated, or in which a security interest is required to be granted to the Security Agent, or to the extent necessary to grant a security interest in the Collateral for the benefit of any Person; *provided* that the granting of such security interest is not prohibited by the Indenture or the Intercreditor Agreement or any Additional Intercreditor Agreement and the covenant described under “—*Certain Covenants—Impairment of Security Interest*” is complied with; or
- (10) as *provided* in “—*Certain Covenants—Additional Intercreditor Agreements*.”

In formulating its decision on such matters, the Trustee shall be entitled to require and rely absolutely on such evidence as it deems necessary, including Officer's Certificates and Opinions of Counsel.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Notes Document. It is sufficient if such consent approves the substance of the proposed

amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

Acts by Holders

In determining whether the Holders of the required principal amount of the Notes have concurred in any direction, waiver or consent, the Notes owned by the Issuer or by any Person directly or indirectly controlled, or controlled by, or under direct or indirect common control with, the Issuer will be disregarded and deemed not to be outstanding.

Defeasance

The Issuer at any time may terminate all obligations of the Issuer and the Guarantors under the Notes and the Indenture ("*legal defeasance*") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Issuer in connection therewith and obligations concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust. Subject to the foregoing, if the Issuer exercises its legal defeasance option, the rights of the Trustee and the Holders under the Intercreditor Agreement or any Additional Intercreditor Agreement in effect at such time will terminate (other than with respect to the defeasance trust).

The Issuer at any time may terminate its and the Guarantors' obligations under the covenants described under "*Certain Covenants*" (other than clauses (1) and (2) of "*—Certain Covenants—Merger and Consolidation*") and "*—Change of Control*" and the default provisions relating to such covenants described under "*Events of Default*" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Issuer and Significant Subsidiaries, the judgment default provision, the guarantee provision and the security default provision described under "*Events of Default*" above ("*covenant defeasance*").

The Issuer at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Issuer exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to such Notes. If the Issuer exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5) (with respect only to the Significant Subsidiaries), (6) or (7) under "*Events of Default*" above.

In order to exercise either defeasance option, the Issuer must irrevocably deposit in trust (the "defeasance trust") with the Trustee (or another entity designated or appointed as agent by the Trustee for this purpose) cash in euros or euro-denominated European Government Obligations or a combination thereof sufficient for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be, and must comply with certain other conditions, including delivery to the Trustee of:

- (1) an Opinion of Counsel in the United States to the effect that the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law);
- (2) an Officer's Certificate stating that the deposit was not made by the Issuer with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Issuer;
- (3) an Officer's Certificate and an Opinion of Counsel (which opinion of counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with;
- (4) an Opinion of Counsel to the effect that the trust resulting from the deposit does not constitute, or is qualified as, a regulated investment company under the U.S. Investment Company Act of 1940, as amended; and
- (5) the Issuer delivers to the Trustee all other documents or other information that the Trustee may reasonably require in connection with either defeasance option.

Satisfaction and Discharge

The Indenture, and the rights of the Trustee and the Holders under the Intercreditor Agreement and any Additional Intercreditor Agreement and the Security Documents will be discharged and cease to be of further effect (except as to surviving rights of conversion or transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when: (1) either: (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes, and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Issuer) have been delivered to the Paying Agent for cancellation; or (b) all Notes not previously delivered to the Paying Agent for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements reasonably satisfactory to the Trustee for the giving of notice of redemption by the Paying Agent in the name, and at the expense, of the Issuer; (2) the Issuer has deposited or caused to be deposited with the Trustee (or another entity designated by the Trustee for this purpose), money or euro-denominated European Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire indebtedness on the Notes not previously delivered to the Paying Agent for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; (3) the Issuer has paid or caused to be paid all other sums payable under the Indenture; (4) the Issuer has delivered irrevocable instructions to the Trustee to apply the funds deposited towards the payment of the Notes at maturity or on the redemption date, as the case may be; and (5) the Issuer has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each to the effect that all conditions precedent under the "*Satisfaction and Discharge*" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with, *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

No Personal Liability of Directors, Officers, Employees and Shareholders

No director, officer, employee, incorporator or shareholder of the Issuer or any of their respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Issuer or any Guarantor under the Notes Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Concerning the Trustee

Deutsche Trustee Company Limited has been appointed as Trustee under the Indenture. The Indenture provides that, except during the continuance of an Event of Default of which a responsible officer of the Trustee has received written notice in accordance with the terms of the Indenture, the Trustee will perform only such duties as are set forth specifically in the Indenture. During the existence of an Event of Default of which a responsible officer of the Trustee has received written notice in accordance with the terms of the Indenture, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture imposes certain limitations on the rights of the Trustee, should it become a creditor of the Issuer, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Issuer and its Affiliates and Subsidiaries.

The Indenture sets out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of the then outstanding Note, or may resign at any time by giving written notice to the Issuer and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, or (b) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Issuer may remove the Trustee, or any Holder who has been a bona fide Holder for not less than six months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture contains provisions for the indemnification of the Trustee for any loss, liability, taxes, expenses incurred without gross negligence, willful misconduct or fraud on its part, arising out of or in connection with the acceptance or administration of the Indenture.

Notices

For so long as any of the Notes are listed on The International Stock Exchange Authority Limited and the rules of The International Stock Exchange Authority Limited so require, notices with respect to the Notes will be published, to the extent and in the manner permitted by such rules, on the official website of The International Stock Exchange Authority Limited (www.tisegroup.com/). In addition, for so long as any Notes are represented by Global Notes, all notices to Holders of the Notes will be delivered by or on behalf of the Issuer to Euroclear and Clearstream.

All notices to Holders of the Notes will be validly given if mailed to them at their respective addresses in the register of Holders, if any, maintained by the Registrar.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Holder if so mailed within the time prescribed. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it. For so long as any Notes are represented by Global Notes, all notices to Holders of the Notes may be delivered via Euroclear and Clearstream in lieu of notice via registered mail.

Prescription

Claims against the Issuer and the Guarantors for the payment of principal, or premium, if any, on the Notes will be prescribed 10 years after the applicable due date for payment thereof. Claims against the Issuer and the Guarantors for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Currency Indemnity and Calculation of Euro-Denominated Restrictions

The euro is the sole currency of account and payment for all sums payable by the Issuer and the Guarantors, if any, under or in connection with the Notes and the Guarantees, if any, including damages. Any amount received or recovered in a currency other than euro, whether as a result of, or the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer, any Guarantor or otherwise by any Holder or by the Trustee, in respect of any sum expressed to be due to it from the Issuer or a Guarantor will only constitute a discharge to the Issuer or such Guarantor, as applicable, to the extent of the euro amount which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so).

If that euro amount is less than the euro amount expressed to be due to the recipient or the Trustee under any Note, the Issuer and the Guarantors, if any, will indemnify them against any loss sustained by such recipient or the Trustee as a result. In any event, the Issuer and the Guarantors, if any, will indemnify the recipient or the Trustee on a joint or several basis against the cost of making any such purchase. For the purposes of this currency indemnity provision, it will be prima facie evidence of the matter stated therein for the Holder of a Note or the Trustee to certify in a manner reasonably satisfactory to the Issuer (indicating the sources of information used) the loss it Incurred in making any such purchase. These indemnities constitute a separate and independent obligation from the Issuer's and the Guarantors' other obligations, will give rise to a separate and independent cause of action, will apply irrespective of any waiver granted by any Holder of a Note or the Trustee (other than a waiver of the indemnities set out herein) and will continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any Guarantee, or to the Trustee.

Except as otherwise specifically set forth herein, for purposes of determining compliance with any euro-denominated restriction herein, the Euro Equivalent amount for purposes hereof that is denominated in a non-euro currency shall be calculated based on the relevant currency exchange rate in effect on the date such non-euro amount is Incurred or made, as the case may be.

Listing

Application will be made to list the Additional Notes on the Official List of The International Stock Exchange. There can be no assurance that the application to list the Additional Notes on the Official List of The International Stock Exchange will be approved and settlement of the Additional Notes is not conditioned on obtaining such listing.

Enforceability of Judgments

Since substantially all the assets of the Issuer are located outside the United States, any judgment obtained in the United States against the Issuer, including judgments with respect to the payment of principal, premium, interest, Additional Amounts, if any, and any redemption price and any purchase price with respect to the Notes, may not be collectable within the United States.

Consent to Jurisdiction and Service

In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Notes, the Issuer, in the Indenture, irrevocably submits to the jurisdiction of the federal and state courts in the Borough of Manhattan in the City of New York, County and State of New York, United States.

Governing Law

The Indenture and the Notes, and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of the State of New York. The Intercreditor Agreement and the rights and duties of the parties thereunder shall be governed by and construed in accordance with the laws of England and Wales.

Certain Definitions

“*Acquired Indebtedness*” means Indebtedness (1) of a Person or any of its Subsidiaries existing at the time such Person becomes a Restricted Subsidiary, or (2) assumed in connection with the acquisition of assets from such Person, in each case whether or not Incurred by such Person in connection with such Person becoming a Restricted Subsidiary or such acquisition or (3) of a Person at the time such Person merges with or into or consolidates or otherwise combines with the Issuer or any Restricted Subsidiary. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (1) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary and, with respect to clause (2) of the preceding sentence, on the date of consummation of such acquisition of assets and, with respect to clause (3) of the preceding sentence, on the date of the relevant merger, consolidation or other combination.

“*Affiliate*” of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes 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.

“*Agreed Security Principles*” means the agreed security principles appended to the Super Senior Facilities, as of the date of the Original Notes Offering Memorandum, as applied *mutatis mutandis* with respect to the Notes in good faith by the Issuer.

“*Asset Disposition*” means any direct or indirect sale, lease (other than an operating lease entered into in the ordinary course of business), transfer, issuance or other disposition, or a series of related sales, leases (other than operating leases entered into in the ordinary course of business), transfers, issuances or dispositions that are part of a common plan, of shares of Capital Stock of a Subsidiary (other than directors’ qualifying shares), property or other assets (each referred to for the purposes of this definition as a “disposition”) by the Issuer or any of its Restricted Subsidiaries, including any disposition by means of a merger, consolidation or similar transaction. Notwithstanding the preceding provisions of this definition, the following items shall not be deemed to be Asset Dispositions:

- (1) a disposition by a Restricted Subsidiary to the Issuer or by the Issuer or a Restricted Subsidiary to a Restricted Subsidiary;
- (2) a disposition of cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;

- (3) a disposition of inventory, trading stock, security equipment or other equipment or assets in the ordinary course of business;
- (4) a disposition of obsolete, damaged, retired, surplus or worn out equipment or assets or equipment, facilities or other assets that are no longer useful in the conduct of the business of the Issuer and its Restricted Subsidiaries and any transfer, termination, unwinding or other disposition of hedging instruments or arrangements not for speculative purposes;
- (5) transactions permitted under “—*Certain Covenants—Merger and Consolidation*” or a transaction that constitutes a Change of Control;
- (6) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors or the issuance of directors’ qualifying shares and shares issued to individuals as required by applicable law;
- (7) any dispositions of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer) of not more than the greater of €7.0 million and 10% of Consolidated EBITDA;
- (8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under “—*Certain Covenants—Limitation on Restricted Payments*” and the making of any Permitted Payment or Permitted Investment or, solely for purposes of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*,” asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;
- (9) the granting of Liens not prohibited by the covenant described above under the caption “—*Certain Covenants—Limitation on Liens*”;
- (10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements or any sale of assets received by the Issuer or a Restricted Subsidiary upon the foreclosure of a Lien granted in favor of the Issuer or any Restricted Subsidiary;
- (11) the licensing or sub-licensing of intellectual property or other general intangibles and licenses, sub-licenses, leases or subleases of other property, in each case, in the ordinary course of business;
- (12) foreclosure, condemnation, taking by eminent domain or any similar action with respect to any property or other assets;
- (13) the sale or discount (with or without recourse, and on customary or commercially reasonable terms) of accounts receivable or notes receivable arising in the ordinary course of business, or the conversion or exchange of accounts receivable for notes receivable;
- (14) sales or dispositions of receivables in connection with any Qualified Receivables Financing, any other factoring transaction or in the ordinary course of business;
- (15) any issuance, sale or disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary;
- (16) any disposition of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Issuer or a Restricted Subsidiary) from whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and, in each case, comprising all or a portion of the consideration in respect of such sale or acquisition;
- (17) any surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (18) an issuance of Capital Stock by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary, an issuance or sale by a Restricted Subsidiary of Preferred Stock or Disqualified Stock that is permitted by the covenant described above under “—*Certain Covenants—Limitation on Indebtedness*” or an issuance of Capital Stock by the Issuer or pursuant to an equity incentive or compensation plan approved by the Board of Directors;
- (19) sales, transfers or other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in joint venture arrangements and similar binding agreements; *provided* that any cash or Cash Equivalents received in such sale, transfer or disposition is applied in accordance with the “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*” covenant;

- (20) any disposition with respect to property built, owned or otherwise acquired by the Issuer or any Restricted Subsidiary pursuant to customary sale and lease-back transactions, asset securitizations and other similar financings permitted by the Indenture; and
- (21) the disposition of assets to a Person who is providing services (the provision of which have been or are to be outsourced by the Issuer or any Restricted Subsidiary to such Person) related to such assets.

“Associate” means (i) any Person engaged in a Similar Business of which the Issuer or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Issuer or any Restricted Subsidiary.

“Bank Products” means any facilities or services related to treasury and/or cash management, cash pooling, treasury, depository, overdraft, BACS, CHAPS, payment lines, processing, credit or debit card, purchase card, returned check concentration, electronic funds transfer, daylight exposures, open credits, contingent obligation lines, letters of credit, the collection of cheques, deposits and direct debits, account reconciliation and reporting, cash, or other cash management and cash pooling arrangements.

“Board of Directors” means: (1) with respect to the Issuer or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (2) with respect to any partnership, the board of directors or other governing body of the general partner of the partnership or any duly authorized committee thereof; and (3) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function.

Whenever any provision of the Indenture requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors (excluding employee representatives, if any) on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval).

The obligations of the “Board of Directors of the Issuer” under the Indenture may be exercised by the Board of Directors of a Restricted Subsidiary or a Parent pursuant to a delegation of powers of the Board of Directors of the Issuer.

“Business Day” means each day that is not a Saturday, Sunday or other day on which banking institutions in Stockholm, Sweden, or London, United Kingdom are authorized or required by law to close and, with respect to payments to be made under the Indenture, other than any day which is not a TARGET Settlement Day.

“Capital Stock” of any Person means any and all shares of, rights to purchase, warrants or options for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into such equity.

“Capitalized Lease Obligations” means an obligation that is required to be classified and accounted for as a capitalized lease for financial reporting purposes on the basis of IFRS. The amount of Indebtedness will be, at the time any determination is to be made, the amount of such obligation required to be capitalized on a balance sheet (excluding any notes thereto) prepared in accordance with IFRS, and the stated maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

“Cash Equivalents” means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian governments, a Permissible Jurisdiction, Switzerland or Norway or, in each case, any agency or instrumentality thereof (provided that the full faith and credit of such country or such member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;
- (2) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers’ acceptances having maturities of not more than one year from the date of acquisition thereof (a “Deposit”) or cash in credit balance or deposit which are freely transferable or convertible within 90 days of issue or held by any lender party to the Super Senior Facilities or by any bank or trust company (a) if at any time the Issuer or any of its Subsidiaries held Deposits with such bank or trust company (or any branch or subsidiary thereof), (b) whose commercial paper is rated at least “A-3” or the equivalent thereof by S&P or Fitch or at

least “P-3” or the equivalent thereof by Moody’s (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (c) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of €250.0 million;

- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (1) and (2) entered into with any bank meeting the qualifications specified in clause (2) above;
- (4) commercial paper rated at the time of acquisition thereof at least “A-3” or the equivalent thereof by S&P or Fitch or “P-3” or the equivalent thereof by Moody’s or carrying an equivalent rating by a Nationally Recognized Statistical Rating Organization, if both of the two named rating agencies cease publishing ratings of investments or, if no rating is available in respect of the commercial paper, the issuer of which has an equivalent rating in respect of its long-term debt, and in any case maturing within one year after the date of acquisition thereof;
- (5) readily marketable direct obligations issued by any state of the United States of America, any province of Canada, a Permissible Jurisdiction, Switzerland or Norway or any political subdivision thereof, in each case, having one of the two highest rating categories obtainable from either Moody’s, Fitch or S&P (or, if at the time, none is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of not more than two years from the date of acquisition;
- (6) Indebtedness or preferred stock issued by Persons with a rating of “BBB-” or higher from S&P or Fitch or “Baa3” or higher from Moody’s (or, if at the time, none is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) with maturities of 12 months or less from the date of acquisition;
- (7) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (8) interests in any investment company, money market or enhanced high yield fund at least 95% of the assets of which constitute cash or Cash Equivalents of the kinds described in any other paragraph of this definition; and
- (9) for purposes of clause (2) of the definition of “Asset Disposition,” the marketable securities portfolio owned by the Issuer on the Original Notes Issue Date.

“*Change of Control*” means the occurrence of any of the following:

- (1) the Issuer becoming aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any “person” or “group” of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Original Notes Issue Date), other than one or more Permitted Holders, is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act as in effect on the Original Notes Issue Date), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of the Issuer, *provided* that for the purposes of this clause 1, (x) no Change of Control shall be deemed to occur by reason of the Issuer becoming a Subsidiary of a Successor Parent and (y) any Voting Stock of which any Permitted Holder is the “beneficial owner” (as so defined) shall not be included in any Voting Stock of which any “person” or “group of related persons” is the “beneficial owner” (as so defined) unless that person or group is not an Affiliate of a Permitted Holder and has greater voting power with respect to that Voting Stock; or
- (2) the sale, lease, transfer, conveyance or other disposition (other than by way of merger, consolidation or other business combination transaction), in one or a series of related transactions, of all or substantially all of the assets of the Issuer and its Restricted Subsidiaries taken as a whole to a Person, other than a Restricted Subsidiary or one or more Permitted Holders.

“*Clearstream*” means Clearstream Banking, *société anonyme*, as currently in effect or any successor securities clearing agency.

“*Collateral*” means any and all assets from time to time in which a security interest has been or will be granted on the Original Notes Issue Date or thereafter pursuant to any Security Document to secure the obligations under the Indenture, the Notes and/or any Guarantee.

“*Commodity Hedging Agreements*” means, in respect of a Person, any commodity purchase contract, commodity futures or forward contract, commodities option contract or other similar contract (including commodities derivative agreements or arrangements), to which such Person is a party or a beneficiary.

“Company” means Assemblin Holding AB.

“Consolidated EBITDA” for the period of the four most recent fiscal quarters ending prior to the relevant date of measurement for which internal consolidated financial statements are available, means, without duplication, the Consolidated Net Income for such period, plus the following to the extent deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense;
- (2) Consolidated Income Taxes;
- (3) depreciation, amortization (including, without limitation, amortization of intangibles and deferred financing fees) and other non-cash charges and expenses (including without limitation write downs and impairment of property, plant, equipment and intangibles and other assets and the impact of purchase accounting on the Issuer and its Restricted Subsidiaries for such period) of the Issuer and its Restricted Subsidiaries (excluding any such non-cash charge or expense to the extent that it represents an accrual of or reserve for cash charges or expenses in any future period) for such period;
- (4) any fees, expenses, charges or other costs related to any issuance of Capital Stock, listing of Capital Stock, Investment, acquisition (including amounts paid in connection with the acquisition or retention of one or more individuals comprising part of a management team retained to manage the acquired business and any expenses, charges or other costs related to deferred or contingent payments), disposition, recapitalization or the Incurrence, issuance, redemption or refinancing of any Qualified Receivables Financing, Bank Products or Indebtedness permitted by the Indenture or any amendment, waiver, consent or modification to any document governing any such Qualified Receivables Financing, Bank Products or Indebtedness (whether or not successful) (including any such fees, expenses or charges related to the Original Notes Transactions), in each case, as determined in good faith by the Board of Directors or an Officer of the Issuer;
- (5) any foreign currency losses of the Issuer and its Restricted Subsidiaries (less any foreign currency such gains);
- (6) any minority interest expense (whether paid or not) consisting of income attributable to minority equity interests of third parties in such period or any prior period or any net earnings, income or share of profit of any Associates, associated company or undertaking;
- (7) the amount of management, monitoring, consulting and advisory fees and related expenses paid in such period to any Permitted Holders to the extent permitted by the covenant described under “—*Certain Covenants—Limitation on Affiliate Transactions*”;
- (8) other non-cash charges, write-downs or items reducing Consolidated Net Income (excluding any such non-cash charge, write-down or item to the extent it represents an accrual of or reserve for cash charges expected to be paid in any future period) less other non-cash items of income increasing Consolidated Net Income (excluding any such non-cash item of income to the extent it represents a receipt of cash expected to be paid in any future period);
- (9) payments received or that become receivable with respect to, expenses that are covered by the indemnification provisions in any agreement entered into by such Person in connection with an acquisition to the extent such expenses were included in computing Consolidated Net Income;
- (10) the proceeds of any business interruption insurance received or that become receivable during such period;
- (11) any Receivables Fees and discounts on the sale of accounts receivables in connection with any Qualified Receivables Financing or other factoring or receivables financing representing, in the Issuer’s reasonable determination, the implied interest component of such discount for such period; and
- (12) adjustments of the nature applied in the calculation of “Pro Forma Adjusted EBITDA” in the Original Notes Offering Memorandum applied in good faith by the Issuer to the extent such adjustments continue to be applicable during the period in which EBITDA is being calculated.

“Consolidated EBITDA” shall be calculated with such pro forma and other adjustments as are consistent with the pro forma provisions set forth in the definition of Consolidated Net Leverage Ratio.

“Consolidated Income Taxes” means taxes or other payments, including deferred Taxes, based on income, profits or capital of any of the Issuer and its Restricted Subsidiaries whether or not paid, estimated, accrued or required to be remitted to any governmental authority.

“*Consolidated Interest Expense*” means, for any period (in each case, determined on the basis of IFRS), the consolidated net interest income/expense of the Issuer and its Restricted Subsidiaries (including net of return on financial investments), whether paid or accrued, plus or including (without duplication) any interest, costs and charges consisting of:

- (1) interest expense attributable to Capitalized Lease Obligations;
- (2) amortization of original issue discount but excluding amortization of debt issuance costs, fees and expenses and the expensing of any finance costs;
- (3) non-cash interest expense;
- (4) net costs associated with Hedging Obligations (excluding amortization of fees or any non-cash interest expense attributable to the movement in mark-to-market valuation of such obligations);
- (5) the product of (a) all dividends or other distributions in respect of all Disqualified Stock of the Issuer and all Preferred Stock of any Restricted Subsidiary, to the extent held by Persons other than the Issuer or a subsidiary of the Issuer, multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined national, state and local statutory tax rate of such Person, expressed as a decimal, as estimated in good faith by a responsible accounting or financial officer of the Issuer;
- (6) the consolidated interest expense that was capitalized during such period; and
- (7) interest actually paid by the Issuer or any Restricted Subsidiary under any Guarantee of Indebtedness or other obligation of any other Person,

minus (i) accretion or accrual of discounted liabilities other than Indebtedness, (ii) any expense resulting from the discounting of any Indebtedness in connection with the application of purchase accounting in connection with any acquisition, (iii) interest with respect to Indebtedness of any Holding Company of such Person appearing upon the balance sheet of such Person solely by reason of push-down accounting under IFRS, (iv) any Additional Amounts with respect to the Notes included in interest expense under IFRS or other similar tax gross-up on any Indebtedness included in interest expense under IFRS and (v) any commissions, discounts, yield and other fees and charges related to factoring, receivables or securitization financings. Consolidated Interest Expense shall not include any interest expenses relating to Subordinated Shareholder Funding.

“*Consolidated Net Income*” means, for any period, the net income (loss) of the Issuer and its Restricted Subsidiaries determined on a consolidated basis on the basis of IFRS; *provided, however*, that there will not be included in such Consolidated Net Income:

- (1) subject to the limitations contained in clause (3) below, any net income (loss) of any Person if such Person is not a Restricted Subsidiary, except that the Issuer’s equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed by such Person during such period to the Issuer or a Restricted Subsidiary as a dividend or other distribution or return on investment or could have been distributed, as reasonably determined by an Officer (subject, in the case of a dividend or other distribution or return on investment to a Restricted Subsidiary, to the limitations contained in clause (2) below);
- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (c)(i) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” any net income (loss) of any Restricted Subsidiary (other than a Guarantor) if such Subsidiary is subject to restrictions on the payment of dividends or the making of distributions by such Restricted Subsidiary to the Issuer by operation of the terms of such Restricted Subsidiary’s charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its shareholders (other than (a) restrictions that have been waived or otherwise released, (b) restrictions pursuant to the Notes or the Indenture, (c) contractual restrictions in effect on the Original Notes Issue Date with respect to a Restricted Subsidiary (including pursuant to the Super Senior Facilities and the Intercreditor Agreement) and other restrictions with respect to such Restricted Subsidiary that, taken as a whole, are not materially less favorable to the Holders than such restrictions in effect on the Original Notes Issue Date, and (d) restrictions specified in clause (11) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries*”), except that the Issuer’s equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents or non-cash distributions to the extent converted into cash or Cash Equivalents actually

distributed or that could have been distributed by such Restricted Subsidiary during such period to the Issuer or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause 2);

- (3) any net gain (or loss) realized upon the sale or other disposition of any asset or disposed operations of the Issuer or any Restricted Subsidiaries (including pursuant to any sale/leaseback transaction) which is not sold or otherwise disposed of in the ordinary course of business (as determined in good faith by an Officer or the Board of Directors of the Issuer);
- (4) any extraordinary, one-off, non-recurring, exceptional or unusual gain, loss, expense or charge, including any charges or reserves in respect of any revaluation, restructuring, redundancy, relocation, refinancing, integration or severance or other post-employment arrangements, signing, retention or completion bonuses, transaction costs (including costs related to the Original Notes Transactions or any investments), acquisition costs, business optimization, system establishment, software or information technology implementation or development, costs related to governmental investigations and curtailments or modifications to pension or post-retirement benefits schemes, litigation or any asset impairment charges or the financial impacts of natural disasters (including fire, flood and storm and related events), each as determined in good faith by an Officer or the Board of Directors;
- (5) at the election of the Issuer, the cumulative effect of a change in accounting principles;
- (6) any non-cash compensation charge or expense arising from any grant of stock, stock options or other equity based awards, any non-cash deemed finance charges in respect of any pension liabilities or other provisions, any non-cash net after tax gains or losses attributable to the termination or modification of any employee pension benefit plan and any charge or expense relating to any payment made to holders of equity based securities or rights in respect of any dividend sharing provisions of such securities or rights to the extent such payment was made pursuant to the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*”;
- (7) all deferred financing costs written off and premiums paid or other expenses incurred directly in connection with any early extinguishment of Indebtedness or Hedging Obligations and any net gain (loss) from any write-off or forgiveness of Indebtedness;
- (8) any unrealized gains or losses in respect of Hedging Obligations or other financial instruments or any ineffectiveness recognized in earnings related to qualifying hedge transactions or the fair value or changes therein recognized in earnings for derivatives that do not qualify as hedge transactions, in each case, in respect of Hedging Obligations;
- (9) any unrealized foreign currency transaction gains or losses in respect of Indebtedness or other obligations of the Issuer or any Restricted Subsidiary denominated in a currency other than the functional currency of such Person and any unrealized foreign exchange gains or losses relating to translation of assets and liabilities denominated in foreign currencies;
- (10) any one-time non-cash charges or any amortization or depreciation, in each case, to the extent related to the Original Notes Transactions or any acquisition of, merger or consolidation with, another Person or business or resulting from any reorganization or restructuring or Incurrence of Indebtedness involving the Issuer or its Restricted Subsidiaries;
- (11) any goodwill or other intangible asset impairment charge or write-off or write-down; and
- (12) the impact of capitalized, accrued or accreting or pay-in-kind interest or principal on Subordinated Shareholder Funding.

“*Consolidated Net Leverage*” means the sum of the aggregate outstanding Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations) less cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries, as of the relevant date of calculation on a consolidated basis on the basis of IFRS.

“*Consolidated Net Leverage Ratio*” means, as of any date of determination, the ratio of (x) Consolidated Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available. In the event that the Issuer or any of its Restricted Subsidiaries Incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness subsequent to the commencement of the period for which the Consolidated Net Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Net Leverage Ratio is made (the “*Calculation Date*”), then the Consolidated Net Leverage Ratio will be calculated

giving pro forma effect (as determined in good faith by a responsible accounting or financial officer of the Issuer) to such Incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable reference period; *provided, however*, that (other than in connection with making any Restricted Payment pursuant to clause (16) of the third paragraph of the covenant described under “*Certain Covenants—Limitation on Restricted Payments*”) the pro forma calculation shall not give effect to (i) any Indebtedness Incurred on the Calculation Date pursuant to the provisions described in the second paragraph under “*Certain Covenants—Limitation on Indebtedness*” or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds Incurred pursuant to the provisions described in the second paragraph under “*—Certain Covenants—Limitation on Indebtedness*.”

In addition, for purposes of calculating the Consolidated Net Leverage Ratio:

- (1) acquisitions and Investments (each, a “*Purchase*”) that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers or consolidations, or any Person or any of its Subsidiaries which are Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Subsidiaries which are Restricted Subsidiaries, during the reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of the Issuer and may include the full run rate effect of cost savings and synergies which are reasonably anticipated to be realized within the next 24 months following the date of such calculation) as if they had occurred on the first day of the reference period; *provided that*, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect to such Purchase (including the full run rate effect of cost savings and synergies which are reasonably anticipated to be realized within the next 24 months following the date of such calculation) as if such Purchase had occurred on the first day of such period, even if the Purchase has not yet been consummated as of the date of determination;
- (2) the Consolidated EBITDA (whether positive or negative) attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a pro forma basis as if such disposition occurred on the first day of such period (taking into account the full run rate effect of cost savings and synergies which are reasonably anticipated to be realized within the next 24 months following the date of such calculation, resulting from any such disposal, as determined in good faith by a responsible accounting or financial officer of the Issuer);
- (3) the Indebtedness attributable to discontinued operations, as determined in accordance with IFRS, and operations, businesses or group of assets constituting a business or operating unit (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded on a pro forma basis as if such disposition occurred on the first day of such period, but only to the extent that the obligations giving rise to such Indebtedness will not be obligations of the Issuer or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such reference period;
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such reference period; and
- (6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Interest Rate Agreement applicable to such Indebtedness), and if any Indebtedness is not denominated in the Issuer’s functional currency, that Indebtedness for purposes of the calculation of Consolidated Net Leverage shall be determined in accordance with IFRS.

For the purposes of this definition and the definitions of Consolidated Senior Secured Net Leverage Ratio, Fixed Charge Coverage Ratio, Consolidated EBITDA and Consolidated Net Income, calculations will be as determined in good faith by a responsible financial or accounting officer of the Issuer (including in respect of the full run rate effect of anticipated cost savings and synergies which are reasonably anticipated to be realized within the next 24 months following the date of such calculation) as though the full effect of synergies and cost savings were realized on the first day of the relevant period and shall also include the reasonably anticipated full run rate cost savings effect (as calculated in good faith by a responsible financial or accounting officer of the Issuer) of cost

savings programs and synergies that have been or will be initiated by the Issuer or its Restricted Subsidiaries and are reasonably anticipated to be realized within the next 24 months following the date of such calculation as though such cost savings programs and synergies had been fully implemented on the first day of the relevant period, provided that such anticipated cost savings and synergies (i) are not duplicative of cost savings and synergies already included in such calculation for such period and (ii) do not exceed 20% of Consolidated EBITDA for such period (calculated prior to giving pro forma effect to such synergies and cost savings and such cap also taking into account adjustments for synergies and cost savings (but no other items or types of adjustments) made under clause (12) of the definition of Consolidated EBITDA (excluding the pro forma run-rate operational cost savings expressly specified in the calculation of “Pro Forma Adjusted EBITDA” in the Original Notes Offering Memorandum) and clauses (1) and (2) above.

“*Consolidated Senior Secured Net Leverage*” means the sum of the aggregate outstanding Senior Secured Indebtedness of the Issuer and its Restricted Subsidiaries (excluding Hedging Obligations) less cash and Cash Equivalents of the Issuer and its Restricted Subsidiaries, as of the relevant date of calculation on a consolidated basis on the basis of IFRS.

“*Consolidated Senior Secured Net Leverage Ratio*” means, as of any date of determination, the ratio of (x) Consolidated Senior Secured Net Leverage at such date to (y) the aggregate amount of Consolidated EBITDA for the period of the four most recent fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Issuer are available, in each case, calculated with such pro forma and other adjustments as are consistent with the pro forma provisions set forth in the definition of Consolidated Net Leverage Ratio.

“*Contingent Obligations*” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness (“*primary obligations*”) of any other Person (the “*primary obligor*”), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
 - (a) for the purchase or payment of any such primary obligation; or
 - (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“*Credit Facility*” means, with respect to the Issuer or any of its Subsidiaries, one or more debt facilities, arrangements, instruments or indentures (including the Super Senior Facilities or commercial paper facilities and overdraft facilities) with banks, institutions or investors providing for revolving credit loans, term loans, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), notes, letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks, institutions or investors and whether provided under the original Super Senior Facilities or one or more other credit or other agreements, indentures, financing agreements or otherwise) and, in each case, including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (1) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Issuer as additional borrowers or guarantors thereunder, (3) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

“*Currency Agreement*” means, in respect of a Person, any foreign exchange contract, currency swap agreement, currency futures contract, currency option contract, currency derivative or other similar agreement to which such Person is a party or beneficiary.

“*Default*” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“*Designated Non-Cash Consideration*” means the fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer) of non-cash consideration received by the Issuer or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, *less* the amount of cash, Cash Equivalents or Temporary Cash Investments received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.*”

“*Designated Preference Shares*” means, with respect to the Issuer or any Parent, Preferred Stock (other than Disqualified Stock) (a) that is issued for cash (other than to the Issuer or a Restricted Subsidiary of the Issuer or an employee stock ownership plan or trust established by the Issuer or any such Restricted Subsidiary for the benefit of their employees to the extent funded by the Issuer or such Restricted Subsidiary) and (b) that is designated as “Designated Preference Shares” pursuant to an Officer’s Certificate of the Issuer at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (c)(ii) of the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Restricted Payments.*”

“*Disqualified Stock*” means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, in each case, at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, in each case, on or prior to the date that is 90 days after the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a change of control or an asset disposition will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption “—*Certain Covenants—Limitation on Restricted Payments.*” For purposes hereof, the amount of Disqualified Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the fair market value of such Disqualified Stock, such fair market value to be determined as set forth herein. Only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock.

“*Equity Offering*” means (x) a sale of Capital Stock of a Parent, the Issuer or a Restricted Subsidiary (other than Disqualified Stock and other than offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions and other than offerings to the Issuer or any Restricted Subsidiary) or (y) the sale of Capital Stock or other securities by any Person (other than to the Issuer or a Restricted Subsidiary), the proceeds of which are contributed as Subordinated Shareholder Funding or capital contribution or to the equity (other than through the issuance of Disqualified Stock, Designated Preference Shares or through an Excluded Contribution or a Parent Debt Contribution) of the Issuer or any of its Restricted Subsidiaries.

“*Escrowed Proceeds*” means the proceeds from the offering of any debt securities or other Indebtedness paid into an escrow account with an independent escrow agent on the date of the applicable offering or incurrence pursuant to escrow arrangements that permit the release of amounts on deposit in such escrow account upon satisfaction of certain conditions or the occurrence of certain events. The term “*Escrowed Proceeds*” shall include any interest earned on the amounts held in escrow.

“*Euro Equivalent*” means, with respect to any monetary amount in a currency other than euro, at any time of determination thereof by the Issuer or the Trustee, the amount of euro obtained by converting such currency other than euro involved in such computation into euro at the spot rate for the purchase of euro with the applicable currency other than euro as published in *The Financial Times* in the “Currency Rates” section (or, if *The Financial Times* is no longer published, or if such information is no longer available in *The Financial Times*, such source as may be selected in good faith by the Board of Directors or an Officer of the Issuer) on the date of such determination.

“Euroclear” means Euroclear Bank SA/NV or any successor securities clearing agency.

“European Government Obligations” means any security that is (1) a direct obligation of any country that is a member of the European Union on the date of the Indenture, for the payment of which the full faith and credit of such country is pledged or (2) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of any such country the payment of which is unconditionally Guaranteed as a full faith and credit obligation by such country, which, in either case, under the preceding clause (1) or (2), is not callable or redeemable at the option of the issuer thereof.

“European Union” means all members of the European Union as of the Original Notes Issue Date. For the avoidance of doubt, all references to a “member” of the European Union shall include the United Kingdom.

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“Excluded Contribution” means Net Cash Proceeds or property or assets received by the Issuer as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preference Shares) of the Issuer after the Original Notes Issue Date or from the issuance or sale (other than to a Restricted Subsidiary or employee stock ownership plan or trust established by the Issuer or any Subsidiary of the Issuer for the benefit of its employees to the extent funded by the Issuer or any Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preference Shares) or Subordinated Shareholder Funding of the Issuer, in each case, to the extent designated as an Excluded Contribution pursuant to an Officer’s Certificate of the Issuer.

“fair market value” wherever such term is used in this “Description of the Notes” or the Indenture (except in relation to an enforcement action pursuant to the Intercreditor Agreement or any Additional Intercreditor Agreement and except as otherwise specifically provided in this “Description of the Notes” or the Indenture), may be conclusively established by means of an Officer’s Certificate or a resolution of the Board of Directors of the Issuer setting out such fair market value as determined by such Officer or such Board of Directors in good faith.

“Fidelix Acquisition” has the meaning ascribed to that term under the caption “Summary—The Transactions” in the Offering Memorandum.

“Fitch” means Fitch Ratings Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“Fixed Charge Coverage Ratio” means, as of any date of determination, the ratio of (x) the aggregate amount of Consolidated EBITDA of such Person for the period of the four most recent fiscal quarters prior to the date of such determination for which internal consolidated financial statements are available to (y) the Fixed Charges of such Person for such four fiscal quarters.

In the event that the specified Person or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases, retires, extinguishes or otherwise discharges any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced) or issues, repurchases or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “Calculation Date”), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of the full run rate effect of cost savings and synergies which are reasonably anticipated to be realized within the next 24 months following the date of such calculation, provided that such anticipated cost savings and synergies (i) are not duplicative of cost savings and synergies already included in such calculation for such period and (ii) do not exceed 20% of Consolidated EBITDA for such period (calculated prior to giving pro forma effect to such synergies and cost savings and such cap also taking into account adjustments for synergies and cost savings (but no other items or types of adjustments) made under clause (12) of the definition of Consolidated EBITDA (excluding the pro forma run-rate operational cost savings expressly specified in the calculation of “Pro Forma Adjusted EBITDA” in the Original Notes Offering Memorandum) and clause (1) below), to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance, retirement, extinguishment or other discharge of Indebtedness, or such issuance, repurchase or redemption of Disqualified Stock or Preferred Stock,

and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided, however*, that (other than for the purposes of the calculation of the Fixed Charge Coverage Ratio under clause (5) of the second paragraph of the covenant under “—*Certain Covenants—Limitation on Indebtedness*”) the pro forma calculation of Fixed Charges shall not give effect to (i) any Indebtedness incurred on the Calculation Date pursuant to the provisions described in the second paragraph of the covenant described above under “—*Certain Covenants—Limitation on Indebtedness*” or (ii) the discharge on the Calculation Date of any Indebtedness to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in the second paragraph of the covenant described above under “—*Certain Covenants—Limitation on Indebtedness*.”

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions or Investments (each, a “Purchase”) that have been made by the specified Person or any of its Restricted Subsidiaries, including through mergers or consolidations, or by any Person or any of its Restricted Subsidiaries acquired by the specified Person or any of its Subsidiaries which are Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect (as determined in good faith by a responsible accounting or financial officer of such Person), including in respect of the full run rate effect of cost savings and synergies which are reasonably anticipated to be realized within the next 24 months following the date of such calculation, as if they had occurred on the first day of the four-quarter reference period; *provided that*, if definitive documentation has been entered into with respect to a Purchase that is part of the transaction causing a calculation to be made hereunder, Consolidated EBITDA for such period will be calculated after giving pro forma effect to such Purchase (including the full run rate effect of cost savings and synergies which are reasonably anticipated to be realized within the next 24 months following the date of such calculation) as if such Purchase had occurred on the first day of such period, even if the Purchase has not yet been consummated as of the date of determination;
- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the specified Person or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period;
- (6) if any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Indebtedness); and
- (7) Interest on a Capitalized Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Issuer to be the rate of interest implicit in such Capitalized Lease Obligation in accordance with IFRS.

“*Fixed Charges*” means, with respect to any specified Person for any period, the sum, without duplication, of:

- (1) the Consolidated Interest Expense of such Person for such period; plus
- (2) all dividends, whether paid or accrued and whether or not in cash, on or in respect of all Disqualified Stock of the Issuer or any series of Preferred Stock of any Restricted Subsidiary, other than dividends on equity interests payable to the Issuer or a Restricted Subsidiary.

“*Guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part),

provided, however, that the term “Guarantee” will not include endorsements for collection or deposit in the ordinary course of business. The term “Guarantee” used as a verb has a corresponding meaning.

“*Guarantee Facilities*” means one or more Credit Facilities with commercial banks providing for the issuance of letters of credit, guarantees, performance guarantees, documentary credits, indemnities or other similar instruments, including the Super Senior Guarantee Facility, in each case, as amended, restated, modified, renewed, refunded, replaced in any manner (whether upon or after termination or otherwise) in whole or in part from time to time; *provided, however*, that the committed amount under all such Guarantee Facilities (including all unutilized amounts thereunder, the aggregate issued thereunder and not been reimbursed) shall not at any time exceed the greater of (i) SEK 300 million and (ii) 40% of Consolidated EBITDA.

“*Guarantor*” means any Restricted Subsidiary that Guarantees the Notes from time to time.

“*Hedging Obligations*” of any Person means the obligations of such Person pursuant to any Interest Rate Agreement, Currency Agreement or Commodity Hedging Agreement.

“*Holder*” means each Person in whose name the Notes are registered on the Registrar’s books, which shall initially be the respective nominee of Euroclear or Clearstream, as applicable.

“*Holding Company*” means, in relation to any Person, any other Person in respect of which it is a Subsidiary.

“*IFRS*” means International Financial Reporting Standards (formerly International Accounting Standards) endorsed from time to time by the European Union or any variation thereof with which the Issuer or its Restricted Subsidiaries are, or may be, required to comply. Except as otherwise set forth in the Indenture, all ratios and calculations contained in the Indenture shall be computed in accordance with IFRS; *provided* that at any date after the Original Notes Issue Date the Issuer may make an irrevocable election to establish that “IFRS” shall mean, except as otherwise specified herein, IFRS as in effect on a date that is on or prior to the date of such election. Notwithstanding the foregoing, for purposes of any calculations pursuant to the Indenture, IFRS shall be deemed to treat operating leases in a manner consistent with the treatment thereof under IFRS as in effect on January 1, 2018, notwithstanding any modifications or interpretative changes thereto that may have occurred after January 1, 2018.

“*Incur*” means issue, create, assume, enter into any Guarantee of, incur or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time, such Person becomes a Restricted Subsidiary (whether by merger, consolidation, acquisition or otherwise), will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary, and the terms “Incurred” and “Incurrence” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “Incurred” at the time any funds are borrowed thereunder.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have been reimbursed) (except to the extent such reimbursement obligations relate to trade

payables or other obligations not constituting Indebtedness and such obligations are satisfied within 30 days of Incurrence), in each case only to the extent that the underlying obligation in respect of which the instrument was issued would be treated as Indebtedness;

- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables), where the deferred payment is arranged primarily as a means of raising finance, which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;
- (5) Capitalized Lease Obligations of such Person;
- (6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Board of Directors or an Officer of the Issuer) and (b) the amount of such Indebtedness of such other Persons;
- (8) Guarantees by such Person of the principal component of Indebtedness of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Currency Agreements and Interest Rate Agreements (the amount of any such obligations to be equal at any time to the termination value of such agreement or arrangement giving rise to such obligation that would be payable by such Person at such time).

The term “Indebtedness” shall not include (i) Subordinated Shareholder Funding, (ii) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under IFRS as in effect on the Original Notes Issue Date, (iii) prepayments of deposits received from clients or customers in the ordinary course of business, (iv) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Original Notes Issue Date or in the ordinary course of business, (v) any asset retirement obligations or (vi) any accrued expenses and trade payables.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amounts of funds borrowed and then outstanding. The amount of Indebtedness of any Person at any date shall be determined as set forth above or otherwise provided in the Indenture, and (other than with respect to letters of credit or Guarantees or Indebtedness specified in clause (7) or (8) above) shall equal the amount thereof that would appear on a balance sheet of such Person (excluding any notes thereto) prepared on the basis of IFRS.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

- (1) Contingent Obligations Incurred in the ordinary course of business, obligations under or in respect of Qualified Receivables Financings and any non-interest-bearing installment obligations and accrued liabilities Incurred in the ordinary course of business that are not more than 120 days past due;
- (2) in connection with the purchase by the Issuer or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter;
- (3) for the avoidance of doubt, any obligations in respect of workers’ compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes (and, in each case, liabilities or obligations under or arising from related guarantees, including under or arising from the Pension Guarantee Facility and the PRI Pension Guarantee);
- (4) obligations and liabilities under or in respect of Bank Products or under or in respect of any factoring, receivables transaction or securitization financings; or
- (5) indebtedness in respect of letters of credit, bank guarantees, performance bonds or surety bonds provided by the Issuer or any Restricted Subsidiary in the ordinary course of business to the extent that such instruments

are not drawn upon or, if and to the extent drawn upon, are honored in accordance with their terms and, if to be reimbursed, are reimbursed by no later than 30 Business Days following receipt by such person of a demand for reimbursement following payment on the relevant instrument.

“Independent Financial Advisor” means an investment banking or accounting firm of international standing or any third party appraiser of international standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Issuer.

“Initial Public Offering” means an Equity Offering of common stock or other common equity interests of any IPO Entity following which there is a Public Market and, as a result of which, the shares of common stock or other common equity interests of any such entity in such offering are listed on an internationally recognized exchange or traded on an internationally recognized market.

“Intercreditor Agreement” means the intercreditor agreement dated on or about the Original Notes Issue Date between, *inter alios*, the Issuer, Nordea Bank Abp, filial i Sverige, as the revolving credit facility agent and pension facility agent, the Trustee, the Security Agent and certain other entities (as named therein), as amended from time to time.

“Interest Rate Agreement” means, with respect to any Person, any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement or other similar agreement or arrangement to which such Person is party or a beneficiary.

“Investment” means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of any advance, loan or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet (excluding any notes thereto) prepared on the basis of IFRS; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business and unfunded pension fund and other employee benefit plan obligations and liabilities to the extent permitted to remain unfunded under applicable law will not be deemed to be an Investment. If the Issuer, or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Issuer or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment equal to the fair market value of the Capital Stock of such Subsidiary not sold or disposed of in an amount determined as provided in the fourth paragraph of the covenant described above under the caption *“—Certain Covenants—Limitation on Restricted Payments.”*

For purposes of *“—Certain Covenants—Limitation on Restricted Payments”*:

- (1) “Investment” will include the portion (proportionate to the Issuer’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; and
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Board of Directors or an Officer of the Issuer.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced (at the Issuer’s option) by any dividend, distribution, interest payment, return of capital, repayment or other amount or value received in respect of such Investment.

“Investment Grade Securities” means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents);
- (2) securities issued or directly and fully guaranteed or insured by a Permissible Jurisdiction, Switzerland or Norway or any agency or instrumentality thereof (other than Cash Equivalents);

- (3) debt securities or debt instruments with a rating of “BBB” or higher from S&P or Fitch or “Baa3” or higher by Moody’s or the equivalent of such rating by such rating organization or, if no rating of Moody’s, Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Issuer and its Subsidiaries;
- (4) investments in any fund that invests exclusively in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution; and
- (5) any investment in repurchase obligations with respect to any securities of the type described in clauses (1), (2) and (3) above which are collateralized at par or over.

“*Investment Grade Status*” shall occur when all of the Notes receive both of the following:

- (1) a rating of “BBB –” or higher from S&P or Fitch; and
- (2) a rating of “Baa3” or higher from Moody’s,

or the equivalent of such rating by any such rating organization or, if no rating of Moody’s, Fitch or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

“*Investors*” means (i) the limited partnerships comprising Triton Fund IV or any of their respective Affiliates, (ii) any other trust, fund, company or partnership owned, managed or advised by Triton Investment Management Limited or any of its Affiliates, and the affiliates of any such trust, fund, company or partnership, or (iii) any limited partner of any such trust, fund, company or partnership referred to in (ii) or any of their respective Affiliates, in each case from time to time (but, for the avoidance of doubt, excluding any portfolio companies of any of the Investors).

“*IPO Entity*” means the Issuer or any Parent or any successor of the Issuer or any Parent.

“*IPO Market Capitalization*” means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity (or other applicable entity) at the time of closing of the Initial Public Offering multiplied by (ii) the price per shares at which such shares of common stock or common equity interests are sold in such Initial Public Offering.

“*Issue Date*” means the date of issuance of the Temporary Notes.

“*Issuer*” means Assemblin Financing AB or any other Successor Issuer in accordance with the Indenture.

“*Lien*” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof).

“*Management Advances*” means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants of any Parent, the Issuer or any Restricted Subsidiary:

- (1) (a) in respect of travel, entertainment or moving-related expenses Incurred in the ordinary course of business or (b) for purposes of funding any such person’s purchase of Capital Stock or Subordinated Shareholder Funding (or similar obligations) of the Issuer, its Subsidiaries or any Parent with (in the case of this sub-clause (b)) the approval of the Board of Directors;
- (2) in respect of moving related expenses Incurred in connection with any closing or consolidation of any facility or office; or
- (3) (in the case of this clause (3)) not exceeding the greater of €4.0 million and 5% of Consolidated EBITDA in the aggregate outstanding at any time.

“*Management Investors*” means (i) any current, former or future employees, officers, directors or members of the management team of, or consultants to, the Issuer or its Subsidiaries or Affiliates or any Parent, who beneficially own or have the right to acquire, directly or indirectly, Capital Stock, or invest or subsequently invest, directly or indirectly, in the Issuer or any of its Restricted Subsidiaries or any Parent from time to time and (ii) any trust, partnership, legal representatives or other person or entity that may hold shares on behalf of, or for the benefit of, or transferred by (or the beneficial owner of which, directly or indirectly, is) any person referred to in clause (i).

“*Market Capitalization*” means an amount equal to (i) the total number of issued and outstanding shares of common stock or common equity interests of the IPO Entity (or other applicable entity) on the date of the

declaration of the relevant dividend multiplied by (ii) the arithmetic mean of the closing prices per share of such common stock or common equity interests for the 30 consecutive trading days immediately preceding the date of declaration of such dividend.

“*Moody’s*” means Moody’s Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Nationally Recognized Statistical Rating Organization*” means a nationally recognized statistical rating organization within the meaning of Section 3(a)(62) under the Exchange Act.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid or required to be paid or accrued as a liability under IFRS (after taking into account any available tax credits or deductions and any Tax Sharing Agreements), as a consequence of such Asset Disposition;
- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which must by its terms, or in order to obtain a necessary consent to such Asset Disposition, or by applicable law, be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders (other than any Parent, the Issuer or any of their respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition; and
- (4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of IFRS, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Issuer or any Restricted Subsidiary after such Asset Disposition.

“*Net Cash Proceeds*,” with respect to any issuance or sale of Capital Stock or Subordinated Shareholder Funding, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or payable as a result of such issuance or sale (after taking into account any available tax credit or deductions and any Tax Sharing Agreements).

“*Notes Documents*” means the Notes (including Subsequent Additional Notes issued from time to time), the Indenture, the Security Documents, the Intercreditor Agreement and any Additional Intercreditor Agreements.

“*Offering Memorandum*” means this offering memorandum in relation to the Temporary Notes.

“*Officer*” means, with respect to any Person, (1) any member of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the Indenture by the Board of Directors of such Person. The obligations of an “Officer of the Issuer” may be exercised by the Officer of any Restricted Subsidiary or the Issuer who has been delegated such authority by the Board of Directors of the Issuer.

“*Officer’s Certificate*” means, with respect to any Person, a certificate signed by one Officer of such Person.

“*Opinion of Counsel*” means a written opinion from legal counsel reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Issuer or its Subsidiaries.

“*Original Notes Issue Date*” means December 6, 2019.

“*Original Notes Offering Memorandum*” means the offering memorandum, dated November 29, 2019,

relating to the sale of the Original Notes.

“*Original Notes Transactions*” means the transactions under the caption “*Summary—The Transactions*” and the use of proceeds as set forth under “*Use of Proceeds*,” in each case as described in the Original Notes Offering Memorandum.

“*Parent*” means Ignition Midco S.à r.l. and any Person of which the Issuer at any time is or becomes a Subsidiary after the Original Notes Issue Date and any holding companies established by any Permitted Holder for purposes of holding its investment in any Parent.

“*Parent Debt Contribution*” means a contribution to the Issuer or any of its Restricted Subsidiaries in the form of equity, funding the issuance or sale of Capital Stock of the Issuer or any Restricted Subsidiary or Subordinated Shareholder Funding or otherwise lent as a proceeds loan to the Issuer or any of its Restricted Subsidiaries, pursuant to which dividends, loans, advances, payments or other distributions may be paid pursuant to clause (20) of the third paragraph under “*Certain Covenants—Limitation on Restricted Payments*.”

“*Parent Expenses*” means:

- (1) costs (including all professional fees and expenses) Incurred by any Parent in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to Indebtedness of the Issuer or any Restricted Subsidiary, including in respect of any reports filed with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder and/or subsistence, establishment, administration and regulatory fees, costs and expenses and as otherwise customary in the ordinary course;
- (2) director and employee remuneration, employee benefit, pension expenses and customary indemnification obligations of any Parent owing to directors, officers, employees or other Persons under its charter or by-laws or pursuant to written agreements with any such Person to the extent relating to the Issuer and its Subsidiaries;
- (3) obligations of any Parent in respect of director and officer insurance (including premiums therefor) to the extent relating to the Issuer and its Subsidiaries;
- (4) fees, costs, taxes and expenses payable by any Parent in connection with the Original Notes Transactions;
- (5) general corporate overheads, fees, costs, taxes and expenses, including (a) professional and advisory fees and expenses, legal and audit fees and other operational and administrative expenses of any Parent related to the ownership or operation of the business of the Issuer or any of its Restricted Subsidiaries, (b) in connection with any litigation or other dispute relating to the Original Notes Transactions or the ownership, directly or indirectly of equity interests, (c) any taxes and other fees and expenses required to maintain such Parent’s corporate existence and to provide for other ordinary course operating costs, including customary salary, bonus and other benefits payable to, and indemnities provided on behalf of, officers and employees of such Parent and (d) to reimburse reasonable out of pocket expenses of the Board of Directors of such Parent;
- (6) (a) fees, expenses, taxes and costs relating directly or indirectly to the ownership of or to activities or management of the Issuer and its Subsidiaries or any Parent or any other Person established for purposes of or in connection with the Original Notes Transactions or an Equity Offering or which holds directly or indirectly any Capital Stock or Subordinated Shareholder Funding and (b) any payments to any person referred to in (a) above in an amount not to exceed €2.0 million in any fiscal year;
- (7) any non-cash dividends for the purposes of effecting tax efficiencies of the Issuer and its Restricted Subsidiaries and any Parent and other transactions undertaken in good faith (as certified by a responsible financial or accounting officer in an Officers’ Certificate) for the purpose of improving the consolidated tax efficiency of the Issuer and its Subsidiaries and not for the purpose of circumventing any covenant set forth in the Indenture, any payment pursuant to the Tax Sharing Agreement which is permitted pursuant to the Indenture;
- (8) any Taxes and any income taxes, to the extent such income taxes are attributable to the income of the Issuer and its Restricted Subsidiaries and, to the extent of the amount actually received in cash from its Unrestricted Subsidiaries, in amounts required to pay such taxes to the extent attributable to the income of the Unrestricted Subsidiaries, provided however that the amount of such payments in any fiscal year do not exceed the amount that the Issuer and its consolidated Subsidiaries would be required to pay in respect of

such taxes for such fiscal year were the Issuer and each of these Subsidiaries to pay such taxes on a consolidated basis on behalf of an affiliated group consisting only of the Issuer and such Unrestricted Subsidiaries; and

- (9) fees, costs, taxes and expenses (including, without limitation, in respect of underwriting, commitment or arrangement) Incurred by any Parent in connection with any actual or contemplated public offering or other sale of Capital Stock or indebtedness:
- (a) where the net proceeds of such offering or sale are intended to be received by or contributed to the Issuer or a Restricted Subsidiary;
 - (b) in a pro-rated amount of such expenses in proportion to the amount of such net proceeds intended to be so received or contributed; or
 - (c) otherwise on an interim basis prior to completion of such offering so long as any Parent shall cause the amount of such expenses to be repaid to the Issuer or the relevant Restricted Subsidiary out of the proceeds of such offering promptly if completed.

“Pari Passu Indebtedness” means Indebtedness of the Issuer or any Guarantor which does not constitute Subordinated Indebtedness.

“Paying Agent” means any Person authorized by the Issuer to pay the principal of (and premium, if any) or interest on any Note on behalf of the Issuer.

“Pension Guarantee Facility” means the pension guarantee facility established pursuant to the pension guarantee agreement dated on or about the Original Notes Issue Date among, *inter alios*, the Issuer, the lenders (as named therein), Nordea Bank Abp, filial i Sverige, as agent, and the Security Agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

“Permissible Jurisdiction” means any member state of the European Union.

“Permitted Asset Swap” means the substantially concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash or Cash Equivalents or Temporary Cash Investments between the Issuer or any of its Restricted Subsidiaries and another Person; provided that any Net Cash Proceeds received by the Issuer or a Restricted Subsidiary in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under *“—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock”* (to the extent required pursuant to such covenant).

“Permitted Collateral Liens” means Liens on the Collateral:

- (1) that are described in one or more of clauses (2), (3), (4), (5), (8), (9), (11), (12), (18), (20), (22) and (23) of the definition of *“Permitted Liens”* and, in each case, arising by law or that would not materially interfere with the ability of the Security Agent to enforce the Security Interest in the Collateral;
- (2) to secure:
 - (a) the Original Notes and related Guarantees;
 - (b) Indebtedness permitted to be Incurred under the first paragraph of the covenant described under *“—Certain Covenants—Limitation on Indebtedness”*;
 - (c) Indebtedness described under clause (1) of *“—Permitted Debt,”* which Indebtedness may have super seniority priority status not materially less favorable to the Holders than that accorded to the Super Senior Facilities on or about the Original Notes Issue Date pursuant to the Intercreditor Agreement;
 - (d) Indebtedness described under clause (2) of *“—Permitted Debt,”* to the extent such Guarantee is in respect of Indebtedness otherwise permitted to be secured and specified in this definition of Permitted Collateral Liens;
 - (e) Indebtedness described under paragraphs (b) and (d) of clause (4) of *“—Permitted Debt”*;
 - (f) Indebtedness described under clause (5) of *“—Permitted Debt,”* provided that, in the case of Indebtedness under clause (5), at the time of Incurrence (or, at the option of the Issuer, the acquisition or other transaction pursuant to which such Indebtedness is Incurred) and after giving *pro forma* effect

to such acquisition or transaction, the Incurrence of such Indebtedness and the application of the proceeds thereof, the Consolidated Senior Secured Net Leverage Ratio either (A) does not exceed 4.3 to 1.0 or (B) is not greater than immediately prior to such Incurrence;

- (g) Indebtedness described under clause (6) of “—*Permitted Debt*,” which Indebtedness may have super senior priority status not materially less favorable to the Holders than that accorded to the Super Senior Facilities under clause (1) of “—*Permitted Debt*” on or about the Original Notes Issue Date pursuant to the Intercreditor Agreement;
 - (h) Bank Products and Indebtedness described under clauses (7) (covering only the assets acquired, improved, constructed, leased with or financed by such indebtedness), (11), (13) and (16) of “—*Permitted Debt*”;
 - (i) Indebtedness on a junior basis to the Notes;
 - (j) the Pension Guarantee Facility, which Indebtedness may have super senior priority status not materially less favorable to the Holders than that accorded to the Super Senior Facilities on or about the Original Notes Issue Date pursuant to the Intercreditor Agreement;
 - (k) any Refinancing Indebtedness in respect of Indebtedness referred to in the foregoing clauses (a) to (j); *provided that* the Lien shall not be senior to the Lien securing such Indebtedness; and
- (3) Incurred in the ordinary course of business of the Issuer or any of its Restricted Subsidiaries with respect to obligations that in total do not exceed an outstanding principal an amount equal to the greater of €7.0 million and 10% of Consolidated EBITDA at any one time outstanding,

provided, that each of the secured parties to any such Indebtedness secured on Collateral as set forth in clauses (2) and (3) above (acting directly or through its respective creditor representative) will have entered into the Intercreditor Agreement or an Additional Intercreditor Agreement.

“*Permitted Holders*” means, collectively, (1) the Investors and any of their Related Persons, (2) the Management Investors and any of their Related Persons, (3) any Person who is acting as an underwriter in connection with a public or private offering of Capital Stock of any Parent or the Issuer, acting in such capacity and (4) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing (or any Persons mentioned in the following sentence) are members; *provided that*, in the case of such group and without giving effect to the existence of such group or any other group, the Investors and such Persons referred to in sub-clauses (1) through (3) (or any Person mentioned in the following sentence), collectively, have beneficial ownership of more than 50% of the total voting power of Voting Stock of the Issuer or any Parent held by such group.

Any person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made in accordance with the requirements of the Indenture will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

“*Permitted Investment*” means (in each case, by the Issuer or any of its Restricted Subsidiaries):

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of a Restricted Subsidiary) or the Issuer or (b) a Person that is engaged in a Similar Business (including the Capital Stock of any such Person) and such Person will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person if such Person is engaged in a Similar Business and as a result of such Investment such other Person is merged, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets to, the Issuer or a Restricted Subsidiary;
- (3) Investments in cash, Cash Equivalents, Temporary Cash Investments or Investment Grade Securities;
- (4) Investments in receivables owing to the Issuer or any Restricted Subsidiary created or acquired in the ordinary course of business and any advance payment made in relation to capital expenditures in the ordinary course of business, and including Investments made in connection with any Qualified Receivables Financing;
- (5) Investments in payroll, travel, relocation, entertainment and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;
- (6) Management Advances;

- (7) Investments in Capital Stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Issuer or any Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement, including upon the bankruptcy or insolvency of a debtor;
- (8) Investments made as a result of the receipt of non-cash or deferred consideration from a sale or other disposition of property or assets, including an Asset Disposition, in each case, that was made in compliance with “—*Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock*”;
- (9) Investments in existence on, or made pursuant to any agreement in existence on, the Original Notes Issue Date, and any extension, modification or renewal of any such Investment; *provided* that the amount of the Investment may be increased (a) as required by the terms of the Investment as in existence on the Original Notes Issue Date or (b) as otherwise permitted under the Indenture;
- (10) (i) Bank Products and (ii) Currency Agreements, Interest Rate Agreements, Commodity Hedging Agreements and related Hedging Obligations, which transactions or obligations are Incurred in compliance with “—*Certain Covenants—Limitation on Indebtedness*”;
- (11) Investments, taken together with all other Investments made pursuant to this clause (11) and at any time outstanding, in an aggregate amount at the time of such Investment (net of any distributions, dividends, payments or other returns in respect of such Investments) not to exceed the greater of €16.0 million and 25% of Consolidated EBITDA plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments; *provided* that, if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described under “—*Certain Covenants—Limitation on Restricted Payments*,” such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause;
- (12) guarantees, indemnities, pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “—*Certain Covenants—Limitation on Liens*”;
- (13) any Investment to the extent made using Capital Stock of the Issuer (other than Disqualified Stock), Subordinated Shareholder Funding or Capital Stock of any Parent as consideration;
- (14) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Affiliate Transactions*” (except those described in clauses (1), (3), (8) and (9) of that paragraph);
- (15) Guarantees or indemnities not prohibited by the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” (including in respect of pension obligations and the PRI Pension Guarantee) and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business;
- (16) guarantees, indemnities and other Investments given or entered into pursuant to or in connection with the Original Notes Transactions;
- (17) Investments in loans under the Super Senior Facilities, the Notes and any Subsequent Additional Notes and any other Indebtedness of the Issuer and its Restricted Subsidiaries;
- (18) Investments acquired after the Original Notes Issue Date as a result of the acquisition by the Issuer or any of its Restricted Subsidiaries of another Person, including by way of a merger, amalgamation or consolidation with or into the Issuer or any of its Restricted Subsidiaries in a transaction that is not prohibited by the covenant described above under the caption “—*Certain Covenants—Merger and Consolidation*” to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation; and
- (19) Investments in Associates in an aggregate amount when taken together with all other Investments made pursuant to this clause (19) that are at any time outstanding not to exceed €7.0 million and 10% of Consolidated EBITDA plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments; *provided* that, if an Investment is made pursuant to this subclause (a) in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is

subsequently designated a Restricted Subsidiary pursuant to the Indenture, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) of the definition of “Permitted Investments” and not this clause (19).

“*Permitted Liens*” means, with respect to any Person:

- (1) Liens on assets or property of any Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;
- (2) pledges, deposits or Liens under workmen’s compensation laws, unemployment insurance laws, social security laws (including social charges and taxes) or similar legislation, or insurance related obligations (including pledges or deposits securing liability to insurance carriers under insurance or self-insurance arrangements), or in connection with bids, tenders, completion guarantees, contracts (other than for borrowed money) or leases, or to secure utilities, licenses, public or statutory obligations, or to secure surety, indemnity, judgment, appeal or performance bonds, guarantees of government contracts (or other similar bonds, instruments or obligations), or as security for contested Taxes or import or customs duties, over any rental deposits or the asset rented in relation to any real property leased or licensed or for the payment of rent, or other obligations of like nature, in each case Incurred in the ordinary course of business;
- (3) (a) Liens imposed by law, including carriers’, warehousemen’s, mechanics’, landlords’, materialmen’s and repairmen’s or other similar Liens, in each case for sums not yet overdue for a period of more than 60 days or that are bonded or being contested in good faith by appropriate proceedings and (b) Liens for Taxes, assessments or other governmental charges not yet delinquent or which are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to IFRS have been made in respect thereof;
- (4) Liens in favor of issuers of surety, performance or other bonds, guarantees or letters of credit or bankers’ acceptances (not issued to support Indebtedness for borrowed money) issued pursuant to the request of and for the account of the Issuer or any Restricted Subsidiary in the ordinary course of its business;
- (5) encumbrances, ground leases, easements (including reciprocal easement agreements), survey exceptions, or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects or irregularities in title and similar encumbrances) as to the use of real properties or Liens incidental to the conduct of the business of the Issuer and its Restricted Subsidiaries or to the ownership of its properties which do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of the Issuer and its Restricted Subsidiaries;
- (6) Liens on assets or property of the Issuer or any Restricted Subsidiary (other than Collateral) securing Hedging Obligations permitted under the Indenture relating to Indebtedness;
- (7) leases, licenses, subleases and sublicenses of assets (including real property and intellectual property rights), in each case entered into in the ordinary course of business;
- (8) Liens arising out of judgments, decrees, orders or awards not giving rise to an Event of Default so long as any appropriate legal proceedings which may have been duly initiated for the review of such judgment, decree, order or award have not been finally terminated or the period within which such proceedings may be initiated has not expired;
- (9) Liens on assets or property of the Issuer or any Restricted Subsidiary for the purpose of securing Capitalized Lease Obligations or Purchase Money Obligations, or securing the payment of all or a part of the purchase price of, or securing other Indebtedness Incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (a) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be Incurred under clause (7) of the second paragraph of the covenant described above under “—*Certain Covenants—Limitation on Indebtedness*” and (b) any such Lien may not extend to any assets or property of the Issuer or any Restricted Subsidiary other than assets or property acquired, improved, constructed or leased with the proceeds of such Indebtedness and any improvements or accessions to such assets and property;
- (10) Liens arising by virtue of any statutory or common law provisions relating to banker’s Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained with a depositary or financial institution;
- (11) Liens arising from Uniform Commercial Code financing statement filings (or similar filings in other applicable jurisdictions) regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;

- (12) Liens existing on, or provided for or required to be granted under written agreements existing on, the Original Notes Issue Date and any refinancing thereof; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the agreement being refinanced;
- (13) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Restricted Subsidiary (or at the time the Issuer or a Restricted Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, consolidation or other business combination transaction with or into the Issuer or any Restricted Subsidiary); *provided, however*, that such Liens are not created, Incurred or assumed in anticipation of or in connection with such other Person becoming a Restricted Subsidiary (or such acquisition of such property, other assets or stock); *provided*, that such Liens are limited to all or part of the same property, other assets or stock (plus improvements, accession, proceeds or dividends or distributions in connection with the original property, other assets or stock) that secured (or, under the written arrangements under which such Liens arose, could secure) the obligations to which such Liens relate;
- (14) *[Reserved]*;
- (15) Liens on assets or property of the Issuer or any Restricted Subsidiary securing Indebtedness or other obligations of such Restricted Subsidiary owing to the Issuer or another Restricted Subsidiary, or Liens in favor of the Issuer or any Restricted Subsidiary;
- (16) Liens securing Refinancing Indebtedness Incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Indebtedness being refinanced or is in respect of property that is or could be the security for or subject to a Permitted Lien hereunder;
- (17) any interest or title of a lessor under any Capitalized Lease Obligation or operating lease;
- (18) (a) mortgages, liens, security interest, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Issuer or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;
- (19) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of, or assets owned by, any joint venture or similar arrangement pursuant to any joint venture or similar agreement;
- (20) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (21) Liens on Receivables Assets Incurred in connection with a Qualified Receivables Financing;
- (22) Liens (i) in connection with Bank Products, (ii) arising under general business conditions in the ordinary course of business, including without limitation the general business conditions of any bank or financial institution with whom the Issuer or any of its Restricted Subsidiaries maintains a banking relationship in the ordinary course of business, and including Liens arising by reason of any treasury and/or cash management, cash pooling, netting or set-off arrangement or other banking or trading activities;
- (23) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale of goods or services entered into in the ordinary course of business (and rights of set-off in connection therewith) and, if arising as a result of any default or omission, which does not subsist for a period of more than 90 days;
- (24) Liens securing Indebtedness or other obligations of a Receivables Subsidiary;
- (25) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary that secure Indebtedness or other obligations of such Unrestricted Subsidiary;
- (26) any security granted over the marketable securities portfolio described in clause (9) or (10) of the definition of “Cash Equivalents” in connection with the disposal thereof to a third party;
- (27) (a) Liens created for the benefit of or to secure, directly or indirectly, the Notes, (b) Liens in respect of property and assets securing Indebtedness if the recovery in respect of such Liens is subject to loss-sharing

or sharing of recoveries as among the Holders of the Notes and the creditors of such Indebtedness pursuant to the Intercreditor Agreement or an Additional Intercreditor Agreement, (c) Liens securing Indebtedness under clauses (11) and (16) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” and (d) Liens securing Indebtedness under clause (1) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” to the extent such Lien is not able or required to be granted to secure the Notes pursuant to the Agreed Security Principles;

(28) Permitted Collateral Liens;

(29) Liens provided that the maximum outstanding principal amount of Indebtedness secured in the aggregate at any one time pursuant to this clause (29) does not exceed an amount equal to the greater of €31.0 million and 50% of Consolidated EBITDA;

(30) Liens, over bank accounts of the Issuer or any of its Restricted Subsidiaries into which payments on receivables which have been previously sold, assigned or transferred by the Issuer or any of its Restricted Subsidiaries on a non-recourse basis and are also being serviced by the Issuer or any Restricted Subsidiary are made until such amounts are transferred to the factor or its assigns;

(31) (a) Liens arising under or in connection with escrow or similar arrangements related to any permitted disposal or acquisition by the Issuer or a Restricted Subsidiary; and (b) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters or arrangers thereof) or on cash set aside at the time of the Incurrence of any Indebtedness or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Indebtedness and are held in an escrow account or similar arrangement to be applied for such purpose; and

(32) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures or associates or which are not Restricted Subsidiaries securing Indebtedness or other obligations of such joint ventures or associates.

“*Permitted Reorganization*” means any amalgamation, merger, demerger, reorganization, reconstruction, consolidation, sale, combination, liquidation, dissolution, winding-up or corporate reconstruction or disposal or transfer of assets or Capital Stock (a “*Reorganization*”) involving the Issuer or any of its Restricted Subsidiaries that is made on a solvent basis, provided that (a) any payments or assets distributed in such Reorganization remain within the Issuer and its Restricted Subsidiaries, (b) if any Capital Stock or assets form part of the Collateral, substantially equivalent Liens must be granted over such Capital Stock or assets of the recipient such that they form part of the Collateral, and (c) the Issuer will provide to the Trustee and the Security Agent an Officer’s Certificate confirming that no Default is continuing or would arise from such Reorganization.

“*Person*” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

“*Preferred Stock*” means, as applied to the Capital Stock of any Person, Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

“*PRI Pension Guarantee*” means a guarantee granted by Assemblin Holding AB and/or the Issuer in favor of PRI Pensionsgaranti, Mutual Insurance Company in order to guarantee certain pension liabilities of the Group.

“*Public Debt*” means any Indebtedness consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

“*Public Market*” means any time after:

(1) an Equity Offering has been consummated; and

(2) shares of common stock or other common equity interests of the IPO Entity having a market value in excess of €50.0 million on the date of such Equity Offering have been distributed pursuant to such Equity Offering.

“Public Offering” means any offering, including an Initial Public Offering, of shares of common stock or other common equity interests that are listed on an exchange or publicly offered (which shall include an offering pursuant to Rule 144A or Regulation S under the Securities Act to professional market investors or similar persons).

“Purchase Money Obligations” means any Indebtedness Incurred to finance or refinance the acquisition, leasing, construction or improvement of property (real or personal) or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

“Qualified Receivables Financing” means any Receivables Financing of a Receivables Subsidiary that meets the following conditions: (1) the Board of Directors or an Officer of the Issuer shall have determined in good faith that such Qualified Receivables Financing (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Issuer and the Receivables Subsidiary, (2) all sales of accounts receivable and related assets to the Receivables Subsidiary are made at fair market value (as determined in good faith by the Board of Directors or an Officer of the Issuer), and (3) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Board of Directors or an Officer of the Issuer) and may include Standard Securitization Undertakings.

The grant of a security interest in any accounts receivable of the Issuer or any of its Restricted Subsidiaries (other than a Receivables Subsidiary) to secure Indebtedness under a Credit Facility or Indebtedness in respect of the Notes shall not be deemed a Qualified Receivables Financing.

“Rating Agencies” means Moody’s, Fitch and S&P or, in the event Moody’s, Fitch or S&P no longer assigns a rating to the Notes, any other “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) under the Exchange Act selected by the Issuer as a replacement agency.

“Receivables Assets” means any assets that are or will be the subject of a Qualified Receivables Financing.

“Receivables Fees” means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not a Restricted Subsidiary in connection with, any Receivables Financing.

“Receivables Financing” means any transaction or series of transactions that may be entered into by the Issuer or any of its Subsidiaries pursuant to which the Issuer or any of its Subsidiaries may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Issuer or any of its Subsidiaries), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may grant a security interest in, any accounts receivable (whether now existing or arising in the future) of the Issuer or any of its Subsidiaries, and any assets related thereto, including all collateral securing such accounts receivable, all contracts and all guarantees or other obligations in respect of such accounts receivable, proceeds of such accounts receivable and other assets which are customarily transferred or in respect of which security interest are customarily granted in connection with asset securitization transactions involving accounts receivable and any Hedging Obligations entered into by the Issuer or any such Subsidiary in connection with such accounts receivable.

“Receivables Repurchase Obligation” means any obligation of a seller of receivables in a Qualified Receivables Financing to repurchase receivables arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“Receivables Subsidiary” means a Subsidiary of the Issuer (or another Person formed for the purposes of engaging in a Qualified Receivables Financing with the Issuer in which the Issuer or any Subsidiary of the Issuer makes an Investment and to which the Issuer or any Subsidiary of the Issuer transfers accounts receivable and related assets) which engages in no activities other than in connection with the financing of accounts receivable of the Issuer and its Subsidiaries, all proceeds thereof and all rights (contractual or other), collateral and other assets relating thereto, and any business or activities incidental or related to such business, and which is designated by the Board of Directors of the Issuer (as provided below) as a Receivables Subsidiary and:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (i) is guaranteed by the Issuer or any other Restricted Subsidiary (excluding guarantees of obligations (other than the

principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (ii) is subject to terms that are substantially equivalent in effect to a guarantee of any losses on securitized or sold receivables by the Issuer or any other Restricted Subsidiary, (iii) is recourse to or obligates the Issuer or any other Restricted Subsidiary in any way other than pursuant to Standard Securitization Undertakings, or (iv) subjects any property or asset of the Issuer or any other Restricted Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;

- (2) with which neither the Issuer nor any other Restricted Subsidiary has any contract, agreement, arrangement or understanding other than on terms which the Issuer reasonably believes to be no less favorable to the Issuer or such Restricted Subsidiary than those that might be obtained at the time from Persons that are not Affiliates of the Issuer; and
- (3) to which neither the Issuer nor any other Restricted Subsidiary has any obligation to maintain or preserve such entity's financial condition or cause such entity to achieve certain levels of operating results.

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer's Certificate certifying that such designation complied with the foregoing conditions.

"refinance" means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms *"refinances," "refinanced"* and *"refinancing"* as used for any purpose in the Indenture shall have a correlative meaning.

"Refinancing Indebtedness" means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the date of the Indenture or Incurred in compliance with the Indenture (including Indebtedness of the Issuer that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Issuer or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

- (1) if the Indebtedness being refinanced constitutes Subordinated Indebtedness, the Refinancing Indebtedness has a final stated maturity at the time such Refinancing Indebtedness is Incurred that is the same as or later than the final stated maturity of the Indebtedness being refinanced or, if shorter, the Notes;
- (2) such Refinancing Indebtedness is Incurred in an aggregate principal amount (or if issued with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or if issued with original issue discount, the aggregate accreted value) then outstanding of the Indebtedness being refinanced (plus, without duplication, any additional Indebtedness Incurred to pay interest or premiums required by the instruments governing such existing Indebtedness and costs, expenses and fees Incurred in connection therewith); and
- (3) if the Indebtedness being refinanced is expressly subordinated to the Notes, such Refinancing Indebtedness is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced,

provided, however, that Refinancing Indebtedness shall not include (i) Indebtedness of the Issuer or a Restricted Subsidiary that refinances Indebtedness of an Unrestricted Subsidiary or (ii) Indebtedness of a Restricted Subsidiary that is not a Guarantor that refinances Indebtedness of the Issuer or a Guarantor.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

"Related Person" with respect to any Permitted Holder, means:

- (1) any controlling equity holder, majority (or more) owned Subsidiary or partner or member of such Person; or
- (2) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or
- (3) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons of any thereof constitute the beneficiaries, stockholders, partners or owners thereof, or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein; or

- (4) any investment fund or vehicle managed, sponsored or advised by such Person or any successor thereto, or by any Affiliate of such Person or any such successor.

“*Related Taxes*” means any Taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes (other than (x) Taxes measured by income and (y) withholding imposed on payments made by any Parent), required to be paid (*provided* such Taxes are in fact paid) by any Parent by virtue of its:

- (1) being incorporated or otherwise being established or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Issuer or any of the Issuer’s Subsidiaries);
- (2) issuing or holding Subordinated Shareholder Funding;
- (3) being a holding company or parent, directly or indirectly, of the Issuer or any of the Issuer’s Subsidiaries;
- (4) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Issuer or any of the Issuer’s Subsidiaries; or
- (5) having made any payment with respect to any of the items for which the Issuer is permitted to make payments to any Parent pursuant to “—*Certain Covenants—Limitation on Restricted Payments.*”

“*Replacement Assets*” means any (i) non-current properties and assets that replace the properties and assets that were the subject of an Asset Disposition or (ii) non-current properties and assets that will be used in the Issuer’s business or in that of the Restricted Subsidiaries or any and all businesses that in the good faith judgment of the Board of Directors or any Officer of the Issuer are reasonably related thereto, including capital stock of a Restricted Subsidiary holding such assets.

“*Representative*” means any trustee, agent or representative (if any) for an issue of Indebtedness or the provider of Indebtedness (if provided on a bilateral basis), as the case may be.

“*Restricted Investment*” means any Investment other than a Permitted Investment.

“*Restricted Subsidiary*” means any Subsidiary of the Issuer other than an Unrestricted Subsidiary.

“*S&P*” means Standard & Poor’s Investors Ratings Services or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*SEC*” means the U.S. Securities and Exchange Commission.

“*Securities Act*” means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“*Security Documents*” means the security agreements, pledge agreements, collateral assignments, and any other instrument and document executed and delivered pursuant to the Indenture or otherwise or any of the foregoing, as the same may be amended, supplemented or otherwise modified from time to time, creating the security interests in the Collateral as contemplated by the Indenture.

“*Senior Secured Indebtedness*” means, as of any date of determination, Indebtedness for borrowed money incurred by the Issuer or a Restricted Subsidiary that (a) is secured by a first-priority Lien on the Collateral or (b) is Incurred by a Restricted Subsidiary that is not a Guarantor, and that (in the case of each of (a) and (b)) is incurred under the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or under clauses (1), (4) (other than clause 4(d)), (5), (11), (13), (15) or (16) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or (c) is Incurred by the Issuer or any Restricted Subsidiary under clauses (4)(b), 4(c) (to the extent it relates to 4(b)) or (7) (in each case, with respect to Capitalized Lease Obligations) of the second paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness.*”

“*Significant Subsidiary*” means any Restricted Subsidiary that meets any of the following conditions:

- (1) the Issuer’s and its Restricted Subsidiaries’ investments in and advances to the Restricted Subsidiary exceed 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year;

- (2) the Issuer's and its Restricted Subsidiaries' proportionate share of the total assets (after intercompany eliminations) of the Restricted Subsidiary exceeds 10% of the total assets of the Issuer and its Restricted Subsidiaries on a consolidated basis as of the end of the most recently completed fiscal year; or
- (3) the Issuer's and its Restricted Subsidiaries' proportionate share of the Consolidated EBITDA of the Restricted Subsidiary exceeds 10% of the Consolidated EBITDA of the Issuer and its Restricted Subsidiaries on a consolidated basis for the most recently completed fiscal year.

"Similar Business" means (1) any businesses, services or activities engaged in by the Issuer on the Original Notes Issue Date or by any of its Subsidiaries or any Associates and (2) any businesses, services and activities that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof.

"Standard Securitization Undertakings" means representations, warranties, covenants, indemnities and guarantees of performance entered into by the Issuer or any Subsidiary of the Issuer which the Issuer has determined in good faith to be customary in a Receivables Financing, including those relating to the servicing of the assets of a Receivables Subsidiary, it being understood that any Receivables Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking.

"Stated Maturity" means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations, including those described in *"—Change of Control"* and the covenant under *"—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock,"* to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

"Subordinated Indebtedness" means, with respect to any person, any Indebtedness (whether outstanding on the Original Notes Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes or any Guarantee of the Notes pursuant to a written agreement, including any Subordinated Shareholder Funding.

For purposes of the Indenture, no Indebtedness or other obligations will be deemed to be subordinated in right of payment to any other Indebtedness solely by virtue of being a party to the Intercreditor Agreement or an Additional Intercreditor Agreement or by virtue of being unsecured or by virtue of being secured on a junior priority basis or by virtue of being secured on different collateral or by persons who are not Guarantors, or by virtue of the application of waterfall or other payment-ordering provisions, or due to the fact that the holders (or an agent, trustee or representative thereof) of any Indebtedness or obligations have entered into intercreditor arrangements giving one or more of such holders priority over the other holders in the collateral held by them.

"Subordinated Shareholder Funding" means, collectively, any funds provided to the Issuer by any Parent, any Affiliate of any Parent or any Permitted Holder or any Affiliate thereof, in exchange for or pursuant to any security, instrument or agreement other than Capital Stock, in each case issued to and held by any of the foregoing Persons, together with any such security, instrument or agreement and any other security or instrument other than Capital Stock issued in payment of any obligation under any Subordinated Shareholder Funding; *provided, however*, that such Subordinated Shareholder Funding:

- (1) does not mature or require any amortization, redemption or other repayment of principal or any sinking fund payment prior to the first anniversary of the Stated Maturity of the Notes (other than through conversion or exchange of such funding into Capital Stock (other than Disqualified Stock) of the Issuer or any funding meeting the requirements of this definition) or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement;
- (2) does not require, prior to the first anniversary of the Stated Maturity of the Notes, payment of cash interest, cash withholding amounts or other cash gross-ups, or any similar cash amounts or the making of any such payment prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;
- (3) contains no change of control or similar provisions and does not accelerate and has no right to declare a default or event of default or take any enforcement action or otherwise require any cash payment, in each case, prior to the first anniversary of the Stated Maturity of the Notes or the payment of any amount as a result of any such action or provision or the exercise of any rights or enforcement action, in each case, prior to the first anniversary of the Stated Maturity of the Notes is restricted by the Intercreditor Agreement or an Additional Intercreditor Agreement;

- (4) does not provide for or require any security interest or encumbrance over any asset of the Issuer or any of its Subsidiaries; and
- (5) pursuant to its terms or to the Intercreditor Agreement, an Additional Intercreditor Agreement or another intercreditor agreement, is fully subordinated and junior in right of payment to the Notes pursuant to subordination, payment blockage and enforcement limitation terms which are customary in all material respects for similar funding or are no less favorable in any material respect to Holders than those contained in the Intercreditor Agreement as in effect on the Original Notes Issue Date with respect to the “Shareholder Liabilities” (as defined therein).

“*Subsidiary*” means, with respect to any Person:

- (1) any corporation, association, or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time of determination owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof; or
- (2) any partnership, joint venture, limited liability company or similar entity of which:
 - (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof whether in the form of membership, general, special or limited partnership interests or otherwise; and
 - (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

“*Successor Parent*” means, with respect to any Person any other Person with more than 50% of the total voting power of the Voting Stock of which is, at the time the first Person becomes a Subsidiary of such other Person, “beneficially owned” (as defined below) by one or more Persons that “beneficially owned” (as defined below) more than 50% of the total voting power of the Voting Stock of the first Person immediately prior to the first Person becoming a Subsidiary of such other Person. For purposes hereof, “beneficially own” has the meaning correlative to the term “beneficial owner,” as such term is defined in Rules 13d-3 and 13d-5 under the Exchange Act (as in effect on the Original Notes Issue Date).

“*Super Senior Facilities*” means the Super Senior Revolving Credit Facility, the Super Senior Guarantee Facility and the Pension Guarantee Facility.

“*Super Senior Guarantee Facility*” means the guarantee facility established pursuant to the super senior revolving credit and guarantee facilities agreement dated on or about the Original Notes Issue Date among, *inter alios*, the Issuer, the lenders (as named therein), Nordea Bank Abp, filial i Sverige, as agent, and the Security Agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

“*Super Senior Revolving Credit Facility*” means the revolving credit facility established pursuant to the super senior revolving credit and guarantee facilities agreement dated on or about the Original Notes Issue Date among, *inter alios*, the Issuer, the lenders (as named therein), Nordea Bank Abp, filial i Sverige, as agent, and the Security Agent, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

“*Target*” means Fidelix Holding Oy.

“*Tax Sharing Agreement*” means any tax sharing or profit and loss pooling or similar agreement with customary or arm’s-length terms entered into with any Parent or its Subsidiary, as the same may be amended, supplemented, waived or otherwise modified from time to time in accordance with the terms thereof and of the Indenture, and any arrangements or transactions made between the Issuer and/or any of its Subsidiaries and/or any Parent in order to satisfy the obligations arising under any such Tax Sharing Agreement (including, for the avoidance of doubt, distributions for purposes of compensation accounting losses in relation to a profit and loss pooling agreement and/or upstream loans to any Parent to enable a Parent to compensate the Issuer or such Subsidiary for losses Incurred which may need to be compensated by a Parent under any profit and loss pooling agreement).

“*Taxes*” means all present and future taxes, levies, imposts, deductions, charges, duties and withholdings and any charges of a similar nature (including interest and penalties with respect thereto) that are imposed by any government or other taxing authority.

“*Temporary Cash Investments*” means any of the following:

- (1) any investment in:
 - (a) direct obligations of, or obligations Guaranteed by, (i) the United States of America or Canada, (ii) a Permissible Jurisdiction, (iii) Switzerland or Norway, (iv) any country in whose currency funds are being held specifically pending application in the making of an investment or capital expenditure by the Issuer or a Restricted Subsidiary in that country with such funds or (v) any agency or instrumentality of any such country or member state; or
 - (b) direct obligations of any country recognized by the United States of America rated at least “A” by S&P or Fitch or “A-2” by Moody’s (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (2) overnight bank deposits, and investments in time deposit accounts, certificates of deposit, bankers’ acceptances and money market deposits (or, with respect to foreign banks, similar instruments) maturing not more than one year after the date of acquisition thereof issued by:
 - (a) any lender under the Super Senior Facilities;
 - (b) any institution authorized to operate as a bank in any of the countries or member states referred to in sub-clause (1)(a) above; or
 - (c) any bank or trust company organized under the laws of any such country or member state or any political subdivision thereof,

in each case, having capital and surplus aggregating in excess of €250.0 million (or the foreign currency equivalent thereof) and whose long-term debt is rated at least “A” by S&P or Fitch or “A-2” by Moody’s (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) or (2) above entered into with a Person meeting the qualifications described in clause (2) above;
- (4) Investments in commercial paper, maturing not more than 270 days after the date of acquisition, issued by a Person (other than the Issuer or any of its Subsidiaries), with a rating at the time as of which any Investment therein is made of “P-2” (or higher) according to Moody’s or “A-2” (or higher) according to S&P or Fitch (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (5) Investments in securities maturing not more than one year after the date of acquisition issued or fully Guaranteed by any state, commonwealth or territory of the United States of America, Canada, a Permissible Jurisdiction or Switzerland, Norway or by any political subdivision or taxing authority of any such state, commonwealth, territory, country or member state, and rated at least “BBB-” by S&P or Fitch or “Baa3” by Moody’s (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization);
- (6) bills of exchange issued in the United States, Canada, a Permissible Jurisdiction, Switzerland, Norway or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (7) any money market deposit accounts issued or offered by a commercial bank organized under the laws of a country that is a member of the Organization for Economic Co-operation and Development, in each case, having capital and surplus in excess of €250.0 million (or the foreign currency equivalent thereof) or whose long-term debt is rated at least “A” by S&P or Fitch or “A2” by Moody’s (or, in each case, the equivalent of such rating by such organization or, if no rating of S&P, Fitch or Moody’s then exists, the equivalent of such rating by any Nationally Recognized Statistical Rating Organization) at the time such Investment is made;

- (8) investment funds investing 95% of their assets in securities of the type described in clauses (1) through (7) above (which funds may also hold reasonable amounts of cash pending investment or distribution); and
- (9) investments in money market funds complying with the risk limiting conditions of Rule 2a-7 (or any successor rule) of the SEC under the U.S. Investment Company Act of 1940, as amended.

“*Transactions*” means the transactions as described under the caption “*Summary—The Transactions*” and the use of proceeds as set forth under “*Use of Proceeds*,” in each case as described in the Offering Memorandum.

“*U.S. GAAP*” means generally accepted accounting principles in the United States of America as in effect from time to time.

“*Unrestricted Subsidiary*” means:

- (1) any Subsidiary of the Issuer that at the time of determination is an Unrestricted Subsidiary (as designated by the Board of Directors of the Issuer in the manner provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Board of Directors of the Issuer may designate any Subsidiary of the Issuer (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein) to be an Unrestricted Subsidiary only if:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Issuer or any other Subsidiary of the Issuer which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and
- (2) such designation and the Investment of the Issuer in such Subsidiary complies with “—*Certain Covenants—Limitation on Restricted Payments*.”

Any such designation by the Board of Directors of the Issuer shall be evidenced to the Trustee by filing with the Trustee a copy of the resolution of the Board of Directors of the Issuer giving effect to such designation and an Officer’s Certificate certifying that such designation complies with the foregoing conditions.

The Board of Directors of the Issuer may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that immediately after giving effect to such designation (1) no Default or Event of Default would result therefrom and (2)(x) the Issuer could Incur at least €1.00 of additional Indebtedness under the Fixed Charge Coverage Ratio contained in the first paragraph of the covenant described under “—*Certain Covenants—Limitation on Indebtedness*” or (y) the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such designation, in each case, on a *pro forma* basis taking into account such designation. Any such designation by the Board of Directors shall be evidenced to the Trustee by promptly filing with the Trustee a copy of the resolution of the Board of Directors giving effect to such designation or an Officer’s Certificate certifying that such designation complied with the foregoing provisions.

“*Uniform Commercial Code*” means the New York Uniform Commercial Code.

“*Voting Stock*” of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

BOOK-ENTRY, DELIVERY AND FORM

General

Temporary Notes sold within the United States to “qualified institutional buyers” in reliance on Rule 144A (“Rule 144A Temporary Notes”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “Rule 144A Temporary Global Notes”). Temporary Notes sold outside the United States in reliance on Regulation S under the Securities Act (“Regulation S Temporary Notes”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Temporary Global Notes” and, together with the Rule 144A Temporary Global Notes, the “Temporary Global Notes”). On the Issue Date, the Temporary Global Notes will be deposited with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

Additional Notes issued in exchange for the Rule 144A Temporary Notes on or about the Completion Date (“Rule 144A Additional Notes”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “Rule 144A Additional Global Notes”). Additional Notes issued in exchange for the Regulation S Temporary Notes on or about the Completion Date (“Regulation S Additional Notes”) will initially be represented by one or more global notes in registered form without interest coupons attached (the “Regulation S Additional Global Notes” and, together with the Rule 144A Additional Global Notes, the “Additional Global Notes” and, together with the global notes for the Original Notes, the “Global Notes”). On or about the Completion Date, the Additional Global Notes will be deposited with a common depository and registered in the name of the nominee of the common depository for the accounts of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Temporary Global Notes (the “Rule 144A Temporary Book-Entry Interests”) and ownership of interests in the Regulation S Temporary Global Notes (the “Regulation S Temporary Book-Entry Interests” and, together with the Rule 144A Temporary Book-Entry Interests, the “Temporary Book-Entry Interests”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants.

Ownership of interests in the Rule 144A Additional Global Notes (the “Rule 144A Additional Book-Entry Interests” and, together with the book-entry interests in the Rule 144A Global Note for the Original Notes, the “Rule 144A Book-Entry Interests”) and ownership of interests in the Regulation S Additional Global Notes (the “Regulation S Additional Book-Entry Interests” and, together with the book-entry interests in the Rule Regulation S Global Note for the Original Notes, the “Regulation S Book-Entry Interests” and, together with the Rule 144A Book-Entry Interests, the “Book-Entry Interests”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants.

Euroclear and Clearstream will hold interests in the Temporary Global Notes and the Additional Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Temporary Book-Entry Interests and Book-Entry Interests will not be issued in definitive form.

Temporary Book-Entry Interests and Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. The Temporary Book-Entry Interests and Book-Entry Interests in the Temporary Notes and the Global Notes, as applicable, will be issued only in denominations of €100,000 and in integral multiples of €1,000 in excess thereof. The Temporary Book-Entry Interests and Book-Entry Interests will not be held in definitive form. Instead Euroclear and Clearstream will credit a participant’s account on their book entry transfer and registration systems with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Temporary Book-Entry Interests and Book-Entry Interests. In addition, while the Temporary Notes and the Additional Notes are in global form, holders of Temporary Book-Entry Interests and Book-Entry Interests, as applicable, will not be considered the owners or “holders” of Temporary Notes or Additional Notes under the Temporary Indenture or the Indenture, as applicable, for any purpose.

So long as the Temporary Notes or the Additional Notes, as applicable, are held in global form, the common depository of Euroclear and/or Clearstream (or its respective nominees), will be considered the sole holders of the Temporary Global Notes or the Additional Global Notes, as applicable, for all purposes under the Temporary

Indenture or the Indenture, respectively. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Temporary Book-Entry Interests or Book-Entry Interests in order to transfer their interests or exercise any rights of holders of the Temporary Notes or Additional Notes under the Temporary Indenture or the Indenture, respectively.

None of the Issuer, the Guarantors or any of the Temporary Trustee, the Trustee, the Transfer Agent, the Paying Agent, the Registrar or any of their respective agents will have any responsibility, or be liable, for any aspect of the records relating to the Temporary Book-Entry Interests or the Book-Entry Interests.

Definitive Registered Notes

Under the terms of the Temporary Indenture or the Indenture, owners of the Temporary Book-Entry Interests and Book-Entry Interests will receive definitive Temporary Notes or Additional Notes, as applicable, in registered form (the “Definitive Registered Notes”) only in the following circumstances:

- (i) if Euroclear or Clearstream notifies the Issuer that it is unwilling or unable to continue to act as depository and a successor depository is not appointed by the Issuer within 120 days; or
- (ii) the owner of a Temporary Book-Entry Interest or Book-Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an “Event of Default” under the Temporary Indenture or the Indenture, as applicable.

Euroclear and Clearstream have advised the Issuer that upon request by an owner of a Temporary Book-Entry Interest or a Book-Entry Interest described in the immediately preceding clause (ii), their current procedure is to request that the Issuer issue or cause to be issued Temporary Notes or Additional Notes, as applicable, in definitive registered form to all owners of Temporary Book-Entry Interests and Book-Entry Interests and not only to the owner who made the initial request.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or the Issuer, as applicable (in accordance with its respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Temporary Book-Entry Interests and Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the Temporary Indenture or the Indenture, as applicable, unless that legend is not required by the Temporary Indenture or the Indenture, as applicable, or applicable law.

To the extent permitted by law, the Issuer, the Temporary Trustee, the Trustee, the Paying Agent, any Transfer Agent and the Registrar shall be entitled to treat the registered holder of any Temporary Global Note or Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Temporary Global Notes or the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Temporary Notes or the Additional Notes; however, owners of the Temporary Book-Entry Interests and the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream, as applicable.

The Issuer will not be required to register the transfer or exchange of Definitive Registered Notes for a period of 15 calendar days preceding (i) the record date for any payment of interest on the Temporary Notes or the Additional Notes, (ii) any date fixed for redemption of the Temporary Notes or the Additional Notes or (iii) the date fixed for selection of the Temporary Notes or the Additional Notes to be redeemed in part. The Issuer is also not required to register the transfer or exchange of any Temporary Notes or Additional Notes selected for redemption or which the holder has tendered (and not withdrawn) for repurchase in connection with a change of control offer or asset sale offer. In the event of the transfer of any Definitive Registered Note, the Temporary Trustee or the Trustee, as applicable, may require a holder, among other things, to furnish appropriate endorsements and transfer documents as described in the Temporary Indenture or the Indenture, as applicable. The Issuer may require a holder to pay any transfer taxes and fees required by law and permitted by the Temporary Indenture, the Temporary Notes, the Indenture and the Additional Notes, as applicable.

If Definitive Registered Notes are issued and a holder thereof claims that such a Definitive Registered Note has been lost, destroyed or wrongfully taken, or if such Definitive Registered Note is mutilated and is surrendered to the Registrar or at the office of a transfer agent, the Issuer will issue and the Temporary Trustee or the Trustee (or

an authentication agent appointed by it), as applicable, will authenticate a replacement Definitive Registered Note if the Temporary Trustee's or the Trustee's, as applicable, and the Issuer's requirements are met. The Issuer or the Temporary Trustee or the Trustee, as applicable, may require a holder requesting replacement of a Definitive Registered Note to furnish an indemnity bond sufficient in the judgment of both to protect themselves, the Registrar or the Paying Agent appointed pursuant to the Temporary Indenture or the Indenture, as applicable, from any loss which any of them may suffer if a Definitive Registered Note is replaced. The Issuer, Registrar, the Temporary Trustee and Trustee may charge for any expenses incurred by it in replacing a Definitive Registered Note.

If any such mutilated, destroyed, lost or stolen Definitive Registered Note has become or is about to become due and payable, or is about to be redeemed or purchased by the Issuer pursuant to the provisions of the Temporary Indenture or the Indenture, as applicable, the Issuer, in its discretion, may, instead of issuing a new Definitive Registered Note, pay, redeem or purchase such Definitive Registered Note, as the case may be.

Definitive Registered Notes may be transferred and exchanged only after the transferor first delivers to the Temporary Trustee or the Trustee, as applicable, a written certification (in the form provided in the Indenture) to the effect that such transfer will comply with the transfer restrictions applicable to such Temporary Notes or Additional Notes, as applicable. See "*Transfer Restrictions*."

Redemption of the Global Notes

In the event that any Temporary Global Note or Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book Entry Interests in such Temporary Global Note or Global Note, as applicable, from the amount received by them in respect of the redemption of such Temporary Global Note or Global Note. The redemption price payable in connection with the redemption of such Book Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Temporary Global Note or Global Note (or any portion thereof). The Issuer understands that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their respective participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate; *provided, however, that* no Temporary Book-Entry Interest or Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

The Issuer will make payments of any amounts owing in respect of the Temporary Global Notes or the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Paying Agent, which will make payments to Euroclear and Clearstream. Thereafter, such payments will be credited to participants' accounts in accordance with their customary procedures. The Issuer expects that standing customer instructions and customary practices will govern payments by participants to owners of Temporary Book-Entry Interests or Book-Entry Interests held through such participants.

Under the terms of the Temporary Indenture and the Indenture, the Issuer, the Temporary Trustee, the Trustee, the Paying Agent, the Transfer Agent, the Registrar and any of their respective agents will treat the registered holders of the Temporary Global Notes and the Global Notes (e.g., the common depositary (or its respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Temporary Trustee, the Trustee, the Paying Agent, the Transfer Agent, the Registrar or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Temporary Book-Entry Interest or Book-Entry Interest or for maintaining, supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Temporary Book-Entry Interests or a Book-Entry Interests;
- any other matter relating to the actions and practices of Euroclear, Clearstream or any participant or indirect participant (including payments made); or
- the records of the common depositary.

Payments by participants to owners of a Temporary Book-Entry Interest or Book-Entry Interest held through participants are the responsibility of such participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of the Temporary Global Notes and the Global Notes will be paid to holders of interests in such Temporary Notes and Additional Notes, as applicable, through Euroclear and/or Clearstream in euro.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. None of the Issuer, the Temporary Trustee, the Trustee, the Initial Purchasers, the Paying Agent, the Transfer Agent, the Registrar or any of their respective agents will be liable to any holder of a Temporary Global Note or Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment. Holders may be subject to foreign exchange risks that may have economic and tax consequences to them.

Action by Owners of Temporary Book-Entry Interests and Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of a Temporary Note or an Additional Note (including the presentation of Temporary Notes or Additional Notes for exchange as described above) only at the direction of one or more participants to whose account the Temporary Book-Entry Interest or Book-Entry Interests in the Temporary Global Notes or Global Notes, as applicable, are credited and only in respect of such portion of the aggregate principal amount of Temporary Notes or Additional Notes, as applicable, as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Temporary Global Notes or the Global Notes. However, if there is an event of default under the relevant Temporary Notes or the Additional Notes, Euroclear and Clearstream, at the request of the holders of such Temporary Notes or Additional Notes, reserve the right to exchange the Temporary Global Notes or the Global Notes, as applicable, for Definitive Registered Notes, and to distribute such Definitive Registered Notes to their participants.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear's and Clearstream's rules and will be settled in immediately available funds. If a holder of a Temporary Note or an Additional Note requires physical delivery of Definitive Registered Notes for any reason, including to sell Temporary Notes or Additional Notes, as applicable, to persons in states that require the physical delivery of such securities or to pledge such securities, such holder of Temporary Notes or Additional Notes must transfer its interests in the Temporary Global Notes or Global Notes, as applicable, in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture.

The Temporary Global Notes and the Global Notes will bear a legend to the effect set forth under "*Transfer Restrictions*." Book-Entry Interests in the Temporary Global Notes and the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "*Transfer Restrictions*."

Transfers of Rule 144A Temporary Book-Entry Interests and Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Temporary Book-Entry Interests and Rule 144A Book-Entry Interests, respectively will at all times be subject to such transfer restrictions.

Rule 144A Temporary Book-Entry Interests and Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Temporary Book-Entry Interest or Regulation S Book-Entry Interest, as applicable, only upon delivery by the transferor of a written certification (in the form provided in the Temporary Indenture or the Indenture, as applicable) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 or any other exemption (if available under the Securities Act).

Regulation S Temporary Book-Entry Interests and Regulation S Book-Entry Interests may be transferred to a person who takes delivery in the form of a Rule 144A Temporary Book-Entry Interest or Rule 144A Book-Entry Interest, as applicable, only upon delivery by the transferor of a written certification (in the form provided in the Temporary Indenture or the Indenture, as applicable) to the effect that such transfer is being made to a person who the transferor reasonably believes is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A or otherwise in accordance with the transfer restrictions described under "*Transfer Restrictions*" and in accordance with any applicable securities laws of any other jurisdiction.

In connection with transfers involving an exchange of a Regulation S Temporary Book-Entry Interest or Regulation S Book-Entry Interests for a Rule 144A Temporary Book-Entry Interest or Rule 144A Book-Entry Interest, as applicable, appropriate adjustments will be made to reflect a decrease in the principal amount of the

Regulation S Temporary Global Note or the Regulation S Global Note, as applicable, and a corresponding increase in the principal amount of the Rule 144A Temporary Global Note or the Rule 144A Global Note, as applicable.

Definitive Registered Notes may be transferred and exchanged for Temporary Book-Entry Interests or Book-Entry Interests in a Temporary Global Note or Global Note, as applicable, only as described under “*Description of the Notes—Transfer and Exchange*” and, if required, only if the transferor first delivers to the Temporary Trustee or the Trustee, as applicable, a written certificate (in the form provided in the Temporary Indenture or the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Temporary Notes or Additional Notes. See “*Transfer Restrictions*.”

Any Temporary Book-Entry Interest or Book-Entry Interest in one of the Temporary Global Notes or the Global Notes, as applicable, that is transferred to a person who takes delivery in the form of a Temporary Book-Entry Interest or Book-Entry Interest in any other Temporary Global Note or Global Note, as applicable will, upon transfer, cease to be a Temporary Book-Entry Interest or Book-Entry Interest, respectively, in the first mentioned Temporary Global Note and Global Note, respectively, and become a Temporary Book-Entry Interest or Book-Entry Interest in such other Temporary Global Note or Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable Temporary Book-Entry Interests and Book-Entry Interests in such other Temporary Global Note or Global Note, as applicable for as long as it remains such a Temporary Book-Entry Interest or Book-Entry Interest.

Pledges

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a Temporary Book-Entry Interest or Book-Entry Interest to pledge such interest to persons or entities who or that do not participate in the Euroclear or Clearstream systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited.

Information Concerning Euroclear and Clearstream

All Temporary Book-Entry Interests and Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither the Issuer, the Temporary Trustee, the Trustee, the Paying Agent, the Transfer Agent, the Registrar nor any of the Initial Purchasers are responsible for those operations or procedures.

The Issuer understands as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book entry changes in accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can act only on behalf of participants, who or that in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities who or that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Temporary 144A Global Notes and the 144A Global Notes only through Euroclear or Clearstream participants.

Special Timing Considerations

You should be aware that investors will only be able to make and receive deliveries, payments and other communications involving the Temporary Notes and the Additional Notes through Euroclear or Clearstream on

days when those systems are open for business. In addition, because of time zone differences, there may be complications with completing transactions involving Euroclear and/or Clearstream on the same business day as in the United States. United States investors who or that wish to transfer their interests in the Temporary Notes and Additional Notes, or to receive or make a payment or delivery of Temporary Notes and Additional Notes, as applicable, on a particular day, may find that the transactions will not be performed until the next business day in Brussels, if Euroclear is used, or in Luxembourg, if Clearstream is used.

Global Clearance and Settlement Under the Book-Entry System

The Temporary Notes represented by the Temporary Global Notes and the Additional Notes represented by the Additional Global Notes are expected to be listed on the Official List of the Exchange. Transfers of interests in the Temporary Global Notes and the Additional Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Temporary Global Notes and the Additional Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer or any of the Guarantors, the Initial Purchasers, the Temporary Trustee, the Trustee, the Transfer Agent, the Registrar or the Paying Agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Temporary Notes will be made in euro. Temporary Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Temporary Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Temporary Book-Entry Interests and Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Temporary Book-Entry Interests or Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

CERTAIN TAX CONSIDERATIONS

U.S. Federal Income Taxation

The following is a summary of certain U.S. federal income tax consequences of the acquisition, ownership and disposition by a U.S. Holder (as defined below) of the Temporary Notes and the Additional Notes into which such Temporary Notes may be exchanged (collectively, for purposes of this discussion, the “Notes”). This summary deals only with initial purchasers of Temporary Notes at the “issue price” (the first price at which a substantial amount of Temporary Notes is sold for money, excluding sales to underwriters, placement agents or wholesalers) in the initial offering that are U.S. Holders, that receive such Additional Notes in exchange for such Temporary Notes, and that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors (including consequences under the alternative minimum tax or net investment income tax), and does not address any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes, persons that have ceased to be U.S. citizens or lawful permanent residents of the United States, investors holding the Notes in connection with a trade or business conducted outside of the United States, U.S. citizens or lawful permanent residents living abroad or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities or arrangements treated as partnerships for U.S. federal income tax purposes should consult their tax advisors concerning the U.S. federal income tax consequences to them and their partners of the acquisition, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, NON-U.S. AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Transactions Related to the Acquisition

Although the issue is not free from doubt, the Issuer intends to take the position, and the remainder of this discussion assumes, that the Transactions that will occur in connection with the release of the gross proceeds of the Offering from the relevant Escrow Account and the automatic exchange of the Temporary Notes for the Additional Notes should not result in a taxable event for U.S. federal income tax purposes. If this position is respected, a U.S. Holder would not recognize any income, gain or loss in connection with such transactions. U.S. Holders should consult their tax advisers regarding the U.S. federal income tax consequences to them of the transactions related to the release of the offering proceeds and the Fidelix Acquisition.

Pre-Issuance Accrued Interest

A portion of the purchase price of the Notes will be attributable to the amount of interest accrued after December 15, 2020 and prior to the date the additional notes are issued (the “pre-issuance accrued interest”). The Issuer intends to take the position that a portion of the first interest payment on the Notes, equal to the amount of pre-issuance accrued interest, will be treated as a nontaxable return of the pre-issuance accrued interest. The remainder of this discussion assumes that the first interest payment on the Notes will be so treated, and references to interest in the remainder of this discussion exclude pre-issuance accrued interest. U.S. Holders should consult their tax advisers concerning the U.S. federal income tax treatment of pre-issuance accrued interest.

Payments of Interest

General

Subject to the discussion of amortizable bond premium below, payments of stated interest on a Note (without reduction for any amounts withheld and including payments of any Additional Amounts) will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on such U.S. Holder’s method of accounting for U.S. federal income tax purposes. Prospective purchasers should consult their tax advisors concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Foreign Currency Denominated Interest

The amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the euro interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognized with respect to an interest payment denominated in euros in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within each taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within each taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the Internal Revenue Service (the “IRS”).

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in foreign currency, the accrual basis U.S. Holder may recognize U.S. source exchange gain or loss (taxable as U.S.-source ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount may elect to treat the excess as “amortizable bond premium.” In such case, the amount required to be included in the U.S. Holder’s income each year with respect to interest on the Note will be reduced by the amount of amortizable bond premium allocable (based on the Note’s yield to maturity) to that year. Bond premium with respect to a Note will be computed in Euro, and amortizable bond premium that is taken into account currently will reduce interest income in Euro. On the date amortized bond premium offsets interest income, a U.S. Holder will recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the U.S. dollar values of the amount of such amortized bond premium (i) on the date such amortized bond premium offsets interest income and (ii) on the date on which the U.S. Holder acquired the Notes.

A U.S. Holder that does not elect to take amortizable bond premium into account currently will recognize gain or loss on the sale or retirement of the Notes in the manner described below under “—Sale, Exchange,

Redemption, Retirement or Other Taxable Disposition of the Notes.” Any election to amortize bond premium applies to all bonds (other than bonds the interest on which is excludible from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS.

Occurrence of a EURIBOR Phase-Out Event for Notes Linked to or Referencing EURIBOR

Under certain circumstances, the Rate Determination Agent is required to select a successor rate to EURIBOR (see “*Description of the Notes—Interest*”). If a EURIBOR Phase-Out Event occurs, the tax treatment of a U.S. Holder holding Notes linked to or referencing EURIBOR will depend on whether a replacement of EURIBOR with a Successor Rate is treated as a “significant modification” that results in a deemed exchange of the existing Notes for “new” Notes. In general, for U.S. federal income tax purposes, a significant modification occurs if, based on all the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are economically significant. A modification is generally any alteration, including any deletion or addition, in whole or in part, of a legal right or obligation of the issuer or a holder of a debt instrument. The applicable regulations provide, however, that alterations that occur as a result of the operation of the terms of the debt instrument are not considered modifications for U.S. federal income tax purposes.

The terms of the Notes generally provide for a Successor Rate in case of a EURIBOR Phase-Out Event. Therefore, such replacement, if any, should occur as a result of the operation of the terms of the Notes and should not result in a modification of the Notes. Although the matter is not entirely free from doubt, the Issuer intends to take the position that the occurrence of a EURIBOR Phase-Out Event should not constitute a modification of the terms of the Notes, and the U.S. Holders should not recognize any gain or loss for U.S. federal income tax purposes as a result of the occurrence of a EURIBOR Phase-Out Event. U.S. Holders should consult their tax advisors concerning the U.S. federal income tax consequences to them of the replacement of EURIBOR with a Successor Rate upon occurrence of a EURIBOR Phase-Out Event.

Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of the Notes

A U.S. Holder generally will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a Note equal to the difference between the amount realized on the sale, exchange, redemption, retirement or other taxable disposition and the U.S. Holder’s adjusted tax basis of the Note, in each case as determined in U.S. dollars. A U.S. Holder’s adjusted tax basis in a Note generally will be its U.S. dollar cost, reduced by any amortized bond premium applied to reduce interest on a Note. The amount realized does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. U.S. Holders should consult their own tax advisors about how to account for proceeds received on the sale or retirement of Notes that are not paid in U.S. dollars.

A U.S. Holder will recognize U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder’s purchase price for the Note (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest) will be realized only to the extent of total gain or loss realized on the sale or retirement.

Except to the extent of changes in exchange rates, gain or loss recognized by a U.S. Holder on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the Note was held by the U.S. Holder for more than one year. Non-corporate U.S. Holders generally are subject to tax on long-term capital gains at reduced rates. The deductibility of capital losses is subject to limitations.

Gain or loss realized by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source. Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale or retirement of Notes.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased generally will have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or

loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Backup Withholding and Information Reporting

Payments of principal and interest on the Notes, and the proceeds of a sale or retirement of Notes, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to comply with applicable certification requirements. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisors about these rules and any other reporting obligations that may apply to the ownership or disposition of Notes, including requirements related to the holding of certain foreign financial assets.

Certain Swedish tax considerations

The following summary of certain tax considerations that may arise as a result of holding Notes is based on current Swedish tax legislation and is intended only as general information for holders of Notes who are resident in Sweden for tax purposes, unless otherwise indicated. This description does not deal comprehensively with all tax consequences that may occur for holders of Notes and is neither intended to be nor should be construed as legal or tax advice. For instance, it does not cover the specific rules where Notes are held by a partnership or as current assets in a business operation. Moreover, the description does not address situations where Notes are held in an investment savings account (Sw. *investeringssparkonto*) or through an endowment insurance (Sw. *kapitalförsäkring*). The summary does not address the rules regarding reporting obligations for, among others, payers of interest. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies and mutual funds. Prospective purchasers of Notes should consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of acquiring, holding and disposing of Notes, including the applicability and effect of foreign income tax rules, provisions in double taxation treaties and other rules which may be applicable.

Taxation of individuals tax resident in Sweden

Capital gains and losses. Individuals who sell their Notes, or have their Notes redeemed or bought back, are subject to capital gains tax. The tax rate is 30%.

The capital gain or loss is calculated as the difference between the sales (or redemption) proceeds, after deduction of sales costs, and the Notes' acquisition cost for tax purposes. The acquisition cost is determined according to the "average method." This means that the acquisition value for all Notes of the same class and type shall be added together and computed collectively, with respect to changes to the holding.

Gains or losses on currency exchange rate fluctuations may arise in relation to Notes where the sales proceeds received are in a foreign currency. However, no special calculations are required if the sales proceeds are exchanged into SEK within 30 days from the time of disposal. In such case, the exchange rate on the date of exchange shall be used when calculating the value of the sales proceeds. The exchange rate on the date of acquisition is generally used when determining the acquisition cost for tax purposes.

As a general rule, 70% of a capital loss is deductible against any other taxable income from capital. However, capital losses on listed Swedish receivables are fully deductible in the income from capital category. According to Swedish case law, full deductibility also applies to capital losses on listed foreign receivables.

If a net loss arises in the income from capital category, a reduction of the tax on income from employment and from business operations, as well as the tax on real estate and the municipal real estate fee, is allowed. The tax reduction is 30% of any part of the net loss not exceeding SEK 100,000 and 21% of any part of the net loss in excess of SEK 100,000. An excess net loss may not be carried forward to a subsequent fiscal year.

Interest. Any interest income received by an individual Noteholder is subject to Swedish tax at a tax rate of 30% in the income from capital category. Interest income is taxable when the income can be disposed of.

Withholding of tax on interest. The legal entity effecting an interest payment to an individual (or an estate of a deceased individual) will normally be required to withhold Swedish preliminary tax (Sw. *preliminärskatt*). The preliminary tax withheld is normally equal to the final tax on the interest income, which means that there is generally no further tax payable on the interest.

Taxation of Swedish limited liability companies

For limited liability companies (Sw. *aktiebolag*), all income, including interest and capital gains on the Notes, is taxed as income from business operations at a flat rate of 20.6% (the tax rate is 21.4% for fiscal years commencing prior to January 1, 2021). Deductible capital losses on the Notes may normally be fully off-set against income from business operations.

Interest income and currency exchange fluctuations are normally taxable, or deductible, as the case may be, on an accrual basis.

Specific rules may apply to Notes held as a hedge for foreign currency exposure.

Taxation of holders of Notes that are not tax resident in Sweden

Payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a Noteholder are not subject to Swedish income tax, provided that such a holder is not resident in Sweden for Swedish tax purposes and provided that such a holder does not have a permanent establishment in Sweden to which the Notes are effectively connected.

Under domestic tax rules, an individual is resident in Sweden for Swedish tax purposes if he/she (i) is domiciled in Sweden; (ii) has permanently stayed in Sweden; or (iii) has been domiciled earlier in Sweden and, after having moved abroad, continues to have an essential connection to Sweden. A limited liability company is generally deemed to be resident in Sweden if it is incorporated in Sweden under Swedish corporate laws. A foreign company is deemed to have a permanent establishment in Sweden in case it has a fixed place of business through which the business of the company is wholly or partly carried on.

Swedish withholding tax, or Swedish tax deduction, is not imposed on payments of any principal amount or any amount that is considered to be interest for Swedish tax purposes to a non-resident holder of Notes.

Holders of Notes who are not resident in Sweden for Swedish tax purposes and who are not carrying on business operations from a permanent establishment in Sweden to which the Notes are attributable are generally not liable for Swedish capital gains taxation on the disposal of Notes. The holders of Notes may be subject to tax in their country of residence.

Certain Norwegian tax considerations

The following summary of certain Norwegian tax considerations that may arise as a result of holding Notes is intended only as general information for holders of Notes who are resident in Norway for tax purposes, unless otherwise indicated. The following description is based on the Norwegian tax legislation currently in force and as applied in Norway as of the date of this offering memorandum. Such laws, rules and regulations may be subject to changes after this date, possibly on a retroactive basis.

This description does not deal comprehensively with all tax consequences that may occur for holders of Notes and is neither intended to be nor should be construed as legal or tax advice. In particular, this summary does not consider any specific facts or circumstances that may apply to a particular purchaser subject to special tax regimes, such as banks, insurance companies or tax-exempt organizations.

The tax treatment of each Noteholder partly depends on the Noteholder's specific situation, and the specific instrument issued to the Holder. Prospective purchasers of Notes should consult their own tax advisers for information with respect to the special tax consequences that may arise as a result of acquiring, holding and disposing of Notes, including the applicability and effect of foreign income tax rules, provisions in double taxation treaties and other rules which may be applicable.

The description below presumes that the Notes are considered and treated as multiple debt instruments (Nw. *mengdegjeldsbrev*) for Norwegian tax purposes.

Please note that for the purpose of the summary below, a reference to a Norwegian or non-Norwegian Noteholder or the issuer refers to the tax residency and not the nationality of the Noteholder or issuer.

Taxation of Norwegian holders of Notes

Interest. For both corporate and individual holders of Notes who are residents of Norway for tax purposes (“Norwegian Holders”) interest received on the Notes is taxable as “ordinary income” subject to tax at a flat tax rate of 22%. For Norwegian Holders holding Notes issued with a discount (compared to the nominal value) such discount will be taxed in the year of the realization of the Notes.

If the Notes are not listed on a regulated market within six months following issuance, Norwegian Holders who are individuals will be subject to additional Norwegian taxes on the interest received at a flat tax rate of 22%. The basis for the additional tax is equal to the interest accrued on the Notes reduced by the tax rate of 22% and less a risk free interest rate (Nw. *skjermingsfradrag*). This amount is then multiplied with a factor of 1.44 in order to find the taxable amount. The risk free interest rate is determined by the Norwegian Ministry of Finance based on the interest rate published by Norges Bank on a bi-monthly basis.

Any interest received in foreign currency is converted to Norwegian kroner when calculating the taxable interest income.

If certain requirements are met, Norwegian Holders may be entitled to a tax credit in Norwegian taxes for withholding tax imposed on the interest in the jurisdiction where the issuer (being the debtor) is resident for tax purposes.

Capital gains and losses. Sale, disposal or other redemption of the Notes is treated as a realization of such Notes and will trigger a capital gain or loss for Norwegian Holders. Capital gains will be taxable as ordinary income for both individual and corporate Norwegian Holders, subject to the flat tax rate of 22%. Losses will be deductible from a Norwegian Holder’s ordinary income, which is taxed at the same rate.

Any capital gain or loss is calculated for each Note, and is computed as the difference between the amount received by the Norwegian Holder on realization and the Norwegian Holder’s cost price of the Notes. The cost price is equal to the price for which the Norwegian Holder acquired the Notes, including costs incurred in connection with the acquisition and realization of the Notes.

Any gain received in foreign currency when realizing Notes is converted to Norwegian kroner when calculating the taxable gain.

If the Norwegian Holder owns Notes acquired at different points in time, the Notes that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis.

The Norwegian tax treatment of the exchange from Temporary Notes to Additional Notes is not free from doubt, as there is no clear tax precedent regarding such transactions. If the exchange is considered a realization of the Temporary Notes, this may result in a taxable gain / loss for Norwegian Holders. The taxable gain will then be calculated based on the value of the Additional Notes received, including any interest and currency effects. Please see the sections above regarding the tax implications connected to realization of Notes. Norwegian Holders should consult their tax advisers regarding the Norwegian tax consequences of the exchange of Temporary Notes to Additional Notes.

Net wealth tax. Norwegian Holders that are individuals are subject to Norwegian net wealth taxation. The value of the Notes held by an individual Norwegian Holder at the end of each income year is included in the basis for the computation of net wealth tax. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for listed Notes is the listed value as of January 1 in the year of assessment (in other words, the year following the relevant income year). The tax value of unlisted Notes is equal to the presumed market value of the Notes as of January 1 in the year of assessment.

Norwegian Holders which are limited liability companies and certain similar entities are not subject to net wealth tax.

Taxation of Non-Norwegian Holders

Interest. In general, payments of interest on Notes paid by a non-Norwegian issuer to holders of Notes who are not resident in Norway for tax purposes (“Non-Norwegian Holders”) are currently not subject to Norwegian income or withholding tax. However, if the Notes are held by a Non-Norwegian Holder that is performing business activities in Norway, and the Notes are effectively connected with such business activities in Norway, interest received will be taxed in Norway at a rate of 22%.

Capital gains and losses. A Non-Norwegian Holder is not taxed in Norway on gains derived from the sale, disposal or other redemption of the Notes. Corresponding losses will generally not be tax deductible.

Such capital gains/losses may however be taxable/ tax deductible in Norway if the Non-Norwegian Holder is performing a business activity in Norway and the Notes are effectively connected with such business activity.

Net wealth tax. Non-Norwegian Holders are generally not subject to Norwegian net wealth tax. Non-Norwegian Holders who are individuals can, however, be taxable if the Notes are effectively connected to the conduct of trade or business in Norway.

PLAN OF DISTRIBUTION

The Issuer, Deutsche Bank Aktiengesellschaft, and Nordea Bank Abp, as Initial Purchasers, have entered into a purchase agreement dated on or around the date of this offering memorandum with respect to the Temporary Notes (the “Purchase Agreement”).

Subject to the terms and conditions set forth in the Purchase Agreement, the Issuer has agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed to purchase from the Issuer, the entire principal amount of the Temporary Notes.

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Temporary Notes from the Issuer, are several and not joint.

The Initial Purchasers initially propose to offer the Temporary Notes for resale at the issue price that appears on the cover of this offering memorandum for the Temporary Notes. After the initial Offering, the Initial Purchasers may change the Offering’s price for the Temporary Notes and any other selling terms without notice. The Initial Purchasers may offer and sell Temporary Notes in the United States through certain of their affiliates or through United States registered broker dealers.

In the Purchase Agreement, we have agreed that:

- the obligations of the Initial Purchasers to pay for and accept delivery of the relevant Temporary Notes are subject to, among other conditions, the delivery of certain opinions of counsel;
- during the period from the date of the Purchase Agreement through and including the date that is 90 days after such date, none of the Issuer, the Guarantors or any of their subsidiaries or other affiliates will offer, sell, contract to sell or otherwise dispose of any debt (including, without limitation, any debt securities, loans or other debt instruments), issued or guaranteed by any of the Issuer or the Guarantors and having a tenor of more than one year (other than the Additional Notes issued in exchange for the Temporary Notes); and
- the Issuer and the relevant Guarantors will indemnify the Initial Purchasers and their respective affiliates against certain liabilities, including liabilities under the Securities Act, and/or will contribute to payments that the Initial Purchasers and their respective affiliates may be required to make in respect of those liabilities.
- the Issuer has agreed to pay the Initial Purchasers certain customary fees for their services in connection with the Offering and to reimburse them for certain out-of-pocket expenses. Persons who purchase Temporary Notes from the Initial Purchasers may be required to pay stamp duty, taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the issue price set forth on the cover page hereof. Certain affiliates of the Issuer may purchase a portion of the Temporary Notes in the Offering.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any other jurisdiction. In the Purchase Agreement, each Initial Purchaser has agreed that the Temporary Notes may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the Securities Act or in transactions not subject to those registration requirements, including sales pursuant to Rule 144A and Regulation S.

In addition, until 40 days following the later of (i) the commencement of the Offering and (ii) the Issue Date, an offer or sale of Temporary Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act unless the dealer makes the offer or sale in compliance with Rule 144A or another exemption from registration under the Securities Act. During this 40-day period, neither Clearstream nor Euroclear will monitor compliance by dealers with the Securities Act. Nordea Bank Abp’s ability to engage in U.S. securities dealings is limited under the U.S. Bank Holding Company Act and it may not offer or sell securities that are offered or sold in the United States. Nordea Bank Abp will only offer and sell the securities that are part of its allotment solely outside of the United States.

The Temporary Notes and the Additional Notes are each a new issue of securities, and there is currently no established trading market for the Temporary Notes or the Additional Notes. In addition, the Temporary Notes and the Additional Notes are subject to certain restrictions on resale and transfer as described under “*Transfer Restrictions.*” We do not intend to apply for the Temporary Notes or the Additional Notes to be listed on any securities exchange other than the Official List of the Exchange or to arrange for the Temporary Notes or the

Additional Notes to be quoted on any quotation system. The Initial Purchasers have advised us that they intend to make a market in the Temporary Notes and the Additional Notes, but they are not obligated to do so. The Initial Purchasers may discontinue any market making in the Temporary Notes and the Additional Notes at any time in their sole discretion. In addition, such market making activities will be subject to the limits imposed by the Securities Act, the Exchange Act and other applicable legal requirements. Accordingly, we cannot assure you that a liquid trading market will develop for the Temporary Notes or the Additional Notes, that you will be able to sell your Notes at a particular time or that the prices that you receive when you sell will be favorable.

In connection with the Offering, the Initial Purchasers may engage in overallotment, stabilizing transactions and syndicate covering transactions. Overallotment involves sales in excess of the Offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Temporary Notes or the Additional Notes in the open market for the purpose of pegging, fixing or maintaining the price of the Temporary Notes and the Additional Notes, as applicable. Syndicate covering transactions involve purchases of the Temporary Notes or the Additional Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the Temporary Notes or the Additional Notes, as applicable, to be higher than it would otherwise be in the absence of those transactions. If the Initial Purchasers engage in stabilizing or syndicate covering transactions, they may discontinue them at any time.

It is expected that delivery of the Temporary Notes will be made against payment therefor on or about the date specified on the cover page of this offering memorandum, which will be the ten business day following the date of pricing of the Notes (this settlement cycle is being referred to as “T+10”). Under Rule 15(c)6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Temporary Notes on the date of pricing or the next seven successive business days will be required, by virtue of the fact that the Temporary Notes initially will settle in T+10, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Temporary Notes who wish to trade the Temporary Notes on the date of pricing should consult their own advisor.

In the Purchase Agreement, each Initial Purchaser, severally and not jointly, has represented and agreed that:

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Temporary Notes in, from or otherwise involving the United Kingdom; and
- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Temporary Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors.

No action has been taken in any jurisdiction, including the United States and the United Kingdom, by the Issuer or the Initial Purchasers that would permit a public offering of the Temporary Notes or the Additional Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to us or the Temporary Notes or the Additional Notes in any jurisdiction where action for this purpose is required. Accordingly, the Temporary Notes and the Additional Notes may not be offered or sold, directly or indirectly, and neither this offering memorandum nor any other offering material or advertisements in connection with the Temporary Notes or the Additional Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This offering memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this offering memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this offering memorandum and resale of Temporary Notes or Additional Notes. See “*Notice to Certain Investors.*”

Certain of the Initial Purchasers and their affiliates from time to time have performed, and in the future will perform, banking, investment banking, advisory, consulting and other financial services for the Issuer and its affiliates, for which they may receive customary advisory and transaction fees and reimbursement of expenses. Each Initial Purchaser is also involved in the Super Senior Facilities and may also act as hedging counterparties. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates.

Certain of the Initial Purchasers or their affiliates that have a lending relationship with us routinely hedge their credit exposure to us consistent with their customary risk management policies. Typically, such Initial Purchasers and their affiliates would hedge such exposure by entering into transactions that consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Temporary Notes offered hereby and the Additional Notes. Any such short positions could adversely affect future trading prices of the Temporary Notes offered hereby or the Additional Notes. The Initial Purchasers and their affiliates may also make investment recommendations or publish or express independent research views in respect of the Issuer, the Group, such securities or financial instruments and may hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

CERTAIN INSOLVENCY CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE NOTES GUARANTEES AND THE SECURITY INTERESTS

Set forth below is a summary of certain limitations on the enforceability of the Note Guarantees and the security interests in some of the jurisdictions in which the Note Guarantees or the Collateral are being provided. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in any of these jurisdictions and in the jurisdiction of organization of a future guarantor of the Additional Notes. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect your ability to enforce your rights and collect payment in full under the Additional Notes, the Note Guarantees and the security interests in the Collateral. Also set forth below is a brief description of certain aspects of insolvency law in Sweden and Norway.

European Union

The Guarantors in Sweden and Norway are organized under the European Economic Area.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "EU Insolvency Regulation"), which applies within the E.U., other than Denmark, the courts of the Member State in which a company's "center of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation, "COMI") is situated has jurisdiction to open main insolvency proceedings. The determination of where a company has its COMI is a question of fact on which the courts of the different Member States may have differing and even conflicting views.

Although there is a presumption under Article 3(1) of the EU Insolvency Regulation that a company has its COMI in the Member State in which it has its registered office in the absence of proof to the contrary, Preamble 13 of the EU Insolvency Regulation states that the COMI of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." The courts have taken into consideration a number of factors in determining the COMI of a company, including, in particular, where board meetings are held, the location at which the company conducts the majority of its business or has its head office and the location at which the majority of the company's creditors are established. A company's COMI may change from time to time but is determined for the purposes of deciding which courts have competent jurisdiction to open insolvency proceedings at the time of the filing of the insolvency petition.

The EU Insolvency Regulation applies to insolvency proceedings that are collective insolvency proceedings of the types referred to in Annex A to the EU Insolvency Regulation.

If the COMI of a company is in one Member State (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another Member State (other than Denmark) have jurisdiction to open territorial insolvency proceedings against that company only if such company has an "establishment" in the territory of such other Member State. An "establishment" is defined to mean a place of operations at which the company carries on non-transitory economic activity with human means and goods. The effects of those insolvency proceedings opened in that other Member State are restricted to the assets of the company situated in such other Member State.

Where main proceedings have been opened in the Member State in which the company has its COMI, any proceedings opened subsequently in another Member State in which the company has an establishment (secondary proceedings) are limited to "winding-up proceedings" listed in Annex B of the EU Insolvency Regulation. Where main proceedings in the Member State in which the company has its COMI have not yet been opened, territorial insolvency proceedings can only be opened in another Member State in which the company has an establishment where either (a) insolvency proceedings cannot be opened in the Member State in which the company's COMI is situated under that Member State's law; or (b) the territorial insolvency proceedings are opened at the request of a creditor that is domiciled, habitually resident or has its registered office in the other Member State or whose claim arises from the operation of the establishment.

The courts of all Member States (other than Denmark) must recognize the judgment of the court opening main proceedings which will be given the same effect in the other Member States so long as no territorial proceedings have been opened there. The liquidator appointed by a court in a Member State that has jurisdiction to open main proceedings (because the company's COMI is there) may exercise the powers conferred on him or her by the law of that Member State in another Member State (such as to remove assets of the company from that other Member

State) subject to certain limitations so long as no insolvency proceedings have been opened in that other Member State or any preservation measures taken to the contrary further to a request to open insolvency proceedings in that other Member State in which the company has assets.

Further to the above, according to the Nordic Bankruptcy Convention of 7 November 1933 (the “Nordic Bankruptcy Convention”) a bankruptcy opened in Sweden, Norway or Finland comprises all assets and liabilities that a bankruptcy debtor possesses also in any other of these countries, and the bankruptcy administrator is authorized to dispose of all the assets of the bankruptcy, regardless of in which of such countries the assets are located. Moreover, the Nordic Bankruptcy Convention stipulates that the law of the Nordic country in which the insolvency proceedings are opened (*lex concursus*) is applicable unless any specific exception is stated in the Nordic Bankruptcy Convention.

Sweden

Applicable Insolvency Law

Certain Guarantors are incorporated under the laws of Sweden (each a “Swedish Obligor”). To the extent that such companies have their center-of-main interests in Sweden, Swedish bankruptcy law is applicable, subject to the provisions of the EU-Insolvency Regulation. As a starting point and by virtue of Article 4 of the EU Insolvency Regulation, insolvency proceedings applicable to a Swedish Obligor may be governed by Swedish insolvency law (*lex fori concursus*).

Insolvency Proceedings

Pursuant to chapter 1, section 2 of the Swedish Bankruptcy Act (Sw. *konkurslagen* (1987:672)), if a company is unable to pay its debts when due and such inability is not merely temporary, it is deemed insolvent and can be declared bankrupt following a bankruptcy petition filed with the court by (i) the debtor or (ii) by a creditor of the debtor.

In the event of bankruptcy, the court will appoint a receiver (Sw. *konkursförvaltare*) in bankruptcy who will work in the interest of all creditors with the objective of realizing the debtor’s assets and distribute the proceeds among the creditors.

The purpose of bankruptcy proceedings is to wind up the company in such a way that the company’s creditors receive as high a proportion of their claims as possible. The receiver in bankruptcy is required to safeguard the assets and can decide to continue the business or to close it down, depending on what is best for all creditors. In general, the receiver in bankruptcy is required to sell the assets of the debtor as soon as possible and to distribute the proceeds. In the interim, the receiver will take over the management and control of the company and the company’s directors and/or managing director will no longer be entitled to represent the company or dispose of the company’s assets.

When distributing the proceeds, the receiver must follow the mandatory provisions of the Swedish Rights of Priority Act (Sw. *förmånsrättslagen* (1970:979)), as amended from time to time, that states the order in which creditors have a right to be paid. As a general principle, in bankruptcy proceedings competing claims have equal right to payment in relation to the size of the amount claimed from the debtor’s assets.

In case of enforcement outside of bankruptcy proceedings in respect of certain types of assets, such as over shares, receivables, bank accounts, trademarks and contractual rights, enforcement can be carried out by the security holder itself. A provision granting the secured party or its agent such right of enforcement is typically included in any pledge agreement between the pledgor and the secured party or its agent. The secured party is typically entitled to enforce the security through a sale of the collateral. However, certain restrictions apply to the procedure for such a sale. In general, when enforcing the security, the secured party is under a duty of care in relation to the security provider and the security granted. The security provider should, if the circumstances are not exceptional, be given prior notice of the contemplated enforcement and also of the time and location of the sale. Furthermore, sufficient notice should be given to prospective purchasers in order to create reasonable preconditions for a market price being obtained in the sale. Where the secured party has been granted the right to enforce the security through a private sale, such sale must be made to a party unaffiliated with the secured party unless the market price of the security can be independently and objectively established and the security is sold at such price. Pledges over receivables and other claims are, if the receivable or claim has fallen due, normally enforced through the secured party collecting the payment as opposed to selling the receivable.

Enforcement of security in bankruptcy is also subject to certain restrictions. A secured party holding a possessory pledge over movable property (such as shares) may arrange for the sale of the movable property at a public auction. Such secured party must however give the receiver in bankruptcy an opportunity to arrange payment of the debtor's debt to the creditor in order to redeem the movable property to the bankruptcy estate, and the movable property may not, without the consent of the receiver in bankruptcy, be sold earlier than four weeks after the oath administration meeting (Sw. *edgångssammanträde*) held as a part of the bankruptcy proceedings. However, financial instruments, currency and, under certain circumstances, gold, are exempt from this requirement. The secured party may either sell such financial instruments, currency or gold immediately or assume ownership (against reduction of the secured debt with the market value of such assets or, if the market value of the assets exceeds the outstanding debt, against repayment to the debtor of the surplus), provided that the realization is done in a commercially viable manner. Should the security granted consist of rights over unlisted shares in a subsidiary of the debtor, the receiver in bankruptcy must still be given an opportunity to redeem the shares prior to the sale or deduction.

Priority of Certain Creditors

In general, proceeds are distributed in the following order:

- (a) fees to the receiver;
- (b) debts of the estate (Sw. *massaskuld*);
- (c) specific preferential rights;
- (d) general preferential rights;
- (e) non-prioritized debts; and
- (f) subordinated debts.

Fixed charges (in specified assets) are generally prioritized in order of establishment and fixed charges are generally prioritized to floating charges. Debts with the same priority will be paid in relation to relative size.

Limitations on the Value of a Guarantee

A Swedish limited liability company may not provide a guarantee for the obligations of a parent or sister company, unless they belong to the same group of companies and the Parent of that group is domiciled within the European Economic Area (EEA). Furthermore, if a Swedish limited liability company provides any guarantee without receiving sufficient corporate benefit in return, such guarantee will, in whole or in part, be considered a distribution of assets, which will be lawful only to the extent (i) there is sufficient coverage for the unrestricted equity capital of the Swedish limited liability company after the distribution (in other words, at the time the guarantee is provided) (where the aggregate amount available for distribution during the period from the annual general meeting until the following year's annual general meeting shall be calculated on the basis of the balance sheet approved by the shareholders at the first annual general meeting, taking into account changes in the restricted equity capital after such annual general meeting) and (ii) if it is considered prudent by a Swedish Obligor to undertake the value transfer after having taken into consideration the equity requirements imposed by the nature, scope and risks relating to its business or such Swedish Obligor's need to strengthen its balance sheet, liquidity or financial position. Where the Swedish limited liability company is a parent company, the latter assessment is also made on a group level. It should also be noted that laws relating to financial assistance in Sweden prohibit limited liability companies incorporated in Sweden from providing guarantees or other credit support for obligations of any person where such obligations are being incurred for the purpose of acquiring shares in the company itself or any of its group companies (with the exception of its subsidiaries). The guarantees of and security interests granted by a Swedish Obligor are limited in accordance with the above restrictions relating to corporate benefit and are subject to limitation language limiting the liability of such entities thereunder if required by the above restrictions relating to financial assistance and in accordance with the above restrictions relating to corporate benefit.

Limitations on the Validity of Certain Transactions

In bankruptcy and company reorganization proceedings, transactions can (in certain circumstances and subject to a time limit) be reversed and the goods or money can then be returned to the bankruptcy estate or the company subject to company reorganization. Broadly, these transactions include, among others, situations where the debtor has conveyed property fraudulently or preferentially to one creditor to the detriment of its other creditors

before the initiation of the relevant insolvency proceedings, granting a Guarantee that was either not stipulated at the time when the obligation arose or not perfected without delay after such time and the delay is not considered to be ordinary, or paid a debt that is not due or that is considerable compared to the value of the debtor's assets or if the payment is made by using unusual means of payment. In the majority of situations, a claim for recovery can be made concerning actions that were made during the three months preceding the commencement of the relevant insolvency proceedings. In certain situations, longer time limits apply and in others there are no time limits. These include, among others, situations where the other party to an agreement or other arrangement is deemed to be a closely related party to the debtor such as a subsidiary or Parent.

Limitations on Enforceability due to the Swedish Reorganization Act

The Swedish Reorganization Act (Sw. *lagen (1996:764) om företagsrekonstruktion*) provides companies facing difficulties in meeting their payment obligations with an opportunity to resolve these without being declared bankrupt. A petition for company reorganization may be presented by (i) the debtor or (ii) a creditor of the debtor. Corporate reorganization proceedings shall, as a main rule, terminate within three months from commencement but may under certain conditions be extended for up to one year.

An administrator (Sw. *rekonstruktör*) is appointed by the court and supervises the day-to-day activities and safeguards the interests of creditors as well as the debtor. However, the debtor remains in full possession of the business except that, for important decisions such as paying a debt that has fallen due prior to the order of reorganization, granting security for a debt that arose prior to the order, undertaking new obligations or transferring, pledging or granting rights in respect of assets of a substantial value for the business, the consent of the administrator is required. However, the absence of such consent does not affect the validity of the transaction (but may jeopardize the reorganization).

Upon the opening of corporate reorganization proceedings, the administrator must notify the creditors of the reorganization proceedings and will draw up a reorganization plan specifying the proposed action to be taken to resolve the company's difficulties. A creditors' meeting will be held at which the creditors will be given the opportunity to express their opinions as to whether the reorganization should continue. Upon the request of any of the creditors, the court shall appoint a creditors' committee composed of a maximum of three persons. The administrator shall, if possible, consult with the creditors' committee prior to taking any important decisions.

The making of an order under the Swedish Reorganization Act does not have the effect of terminating contracts with the debtor and, during the reorganization procedure, the debtor's business activities continue in the ordinary course of business. However, the procedure includes a suspension of payments to creditors and the debtor cannot pay a debt that fell due prior to the order without the consent of the administrator and such consent may only be granted should there be exceptional reasons for doing so and any petition for bankruptcy in respect of the debtor will be stayed. A moratorium also applies to execution in respect of a claim or enforcement of security during corporate reorganization proceedings unless the security assets are in the physical possession of the secured creditor or any agent acting on behalf of such creditor, which is the case with a Swedish law pledge over the shares in a Swedish limited liability company where the share certificates of such company has been delivered to the agent.

The debtor may apply to the court requesting public composition proceedings (Sw. *offentligt ackord*) which means that the amount of a creditor's claim may be reduced on a percentage basis. The proposal for a public composition must meet certain requirements such as (i) that a sufficient proportion of the creditors which are allowed to vote and (ii) that such creditors represent a sufficient proportion of the total outstanding claims, vote in favor of such public composition proposal. Creditors with set-off rights and secured creditors will not participate in the composition unless they wholly or partly waive their set-off rights or priority rights. Should the security not cover a secured creditor's full claim, the remaining claim will, however, be part of a composition. A creditors' meeting is convened to vote on the proposed composition. The public composition is binding on all creditors that were entitled to participate, meaning that creditors who have not attended the creditors' meeting will also be bound. However, the obligations of a guarantor under a guarantee provided in respect of a creditor's claim which has been reduced by way of public composition will not be reduced correspondingly but will remain valid up to the original amount of such creditor's claim.

Effect of Bankruptcy on the Bankruptcy Debtor's Contracts

The declaration of bankruptcy does not automatically terminate existing contracts and instead the receiver may in its discretion choose to have the bankruptcy estate itself become party to any such existing contracts. If the estate

enters into the contract and performance by the creditor is due, the creditor may demand that the estate performs its obligations as well or, if a grace period has been granted, request that the estate, without unreasonable delay, provides acceptable security for its performance. If performance by the creditor is not due, the creditor may request security where this is necessary in order to protect against loss. If the estate does not enter into the contract within a reasonable time after the creditor's demand or if it does not comply with the creditor's request to provide security, the creditor may terminate the contract.

Limitations due to capital deficiency

Pursuant to the Swedish Companies Act (Sw. *aktiebolagslag* (2005:551)), as amended (the "Swedish Companies Act"), whenever a company's board of directors has a reason to assume that, as a result of losses or reductions in the value of the company's assets or any other event, the company's equity is less than half the registered share capital, the company's board of directors shall prepare a special balance sheet (Sw. *kontrollbalansräkning*) and have the auditors examine it. The same obligation arises if the company in connection with enforcement pursuant to Chapter 4 of the Swedish Enforcement Code (Sw. *utsökningsbalken* (1981:774)) is found to lack sizeable assets.

If the special balance sheet shows that the equity of the company is less than half of the registered share capital, the board of directors shall, as soon as possible, issue a notice to call a shareholders' meeting which shall consider whether the company shall go into liquidation (initial shareholders' meeting). The special balance sheet and an auditor's report with respect thereto shall be presented at the initial shareholders' meeting.

If the special balance sheet presented at the initial shareholders' meeting fails to show that, on the date of such meeting, the equity of the company amounts to the registered share capital and the initial shareholders' meeting has not resolved that the company shall go into liquidation, the shareholders' meeting shall, within eight months of the initial shareholders' meeting, reconsider the issue of whether the company shall go into liquidation (second shareholders' meeting). Prior to the second shareholders' meeting, the board of directors shall prepare a new special balance sheet and cause such to be reviewed by the company's auditors. The new special balance sheet and an auditor's report thereon shall be presented at the second shareholders' meeting.

A shareholders' resolution on liquidation of the company shall be registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*), which shall appoint a liquidator. Should the shareholders not resolve on such voluntary liquidation where required (which is where (i) a second shareholders' meeting is not held within the period of time stated above, or (ii) the new special balance sheet which was presented at the second shareholders' meeting was not reviewed by the company's auditor or fails to show that, on the date of such meeting, the equity of the company amounts to at least the registered share capital), the court may put the company into compulsory liquidation and appoint a liquidator. The liquidator takes over management and control of the company and shall sell the company's assets and settle the company's debts with the proceeds. The liquidator shall give notice to the company's unknown creditors and creditors that have not lodged their claims with the liquidator within six months following such notice will have forfeited their rights to their claims.

Foreign Currency

Swedish courts may award judgments in currencies other than Swedish kronor, but the judgment debtor has the right to pay the judgment debt, even though denominated in a foreign currency, in Swedish kronor at the rate of exchange prevailing at the date of payment.

Norway

Limitations on Guarantees and security interests

The obligations of a Guarantor incorporated in Norway (each a "Norwegian Obligor") under a Guarantee or in connection with any security interest provided under any security documents, will be limited by such mandatory provisions of law applicable to that Norwegian Obligor limiting the legal capacity or ability of the Norwegian Obligor to grant or honor a guarantee as provided for in this offering memorandum, including, but not limited to, the provisions of Sections 8-7 and 8-10 of the Norwegian Private Limited Liability Companies Acts of 13 June 1997 no. 44 (*No. aksjeloven*) and the Norwegian Public Limited Liability Companies Acts of 13 June 1997 no. 45 (*No. allmennaksjeloven*) (together, the "Norwegian Companies Acts").

Section 8-7 of the Norwegian Companies Acts restricts a Norwegian limited liability company from granting credit to, guaranteeing or providing security for the obligations of, its (direct and indirect) shareholders (or any

affiliates of its shareholders) beyond its distributable reserves (free equity) and then, only if adequate security is provided in favor of the company's repayment/recourse claim against that shareholder or affiliate. Whether the provision of credit, guarantee or security is in compliance with the Norwegian Companies Acts has to be determined at the time such credit, guarantee or security is provided.

The above restrictions in Section 8-7 of the Norwegian Companies Acts are, however, subject to exceptions and pursuant to such exception the restrictions does not apply to any credit, guarantee or security for the obligations of (i) its direct or indirect Norwegian parent company and its Norwegian and foreign subsidiaries, provided that the parent company is a Norwegian limited liability company or (ii) its direct or indirect foreign parent company and its Norwegian and foreign subsidiaries, provided that the parent company has decisive influence over the company (meaning, it typically owns more than 50% of the shares in the company) and that the credit, guarantee or security has been made in the "financial interest of the group." This exception is fairly new, and how it shall be interpreted and practiced is therefore still somewhat uncertain. However, the general perception in Norway seems to be that the term "the group's financial interests" covers quite a wide range of transactions, but that for instance transactions whose main purpose is to benefit the shareholders of the parent company and not the group (such as dividend recap-transactions and the like), will not be covered by this exception. Pursuant to the preparatory works of the Norwegian Companies Acts, this condition will not be satisfied if funds from a Norwegian Obligor are being utilized to the benefit of the group's ultimate shareholders (for example, financing distributions to the owners).

In addition to the restrictions with respect to upstream and cross-stream loans, guarantees and security outlined above, Section 8-10 of the Norwegian Companies Acts restricts a Norwegian limited liability company from granting any financial assistance (in other words, making assets available, granting credit or providing guarantees or security) in connection with the acquisition of shares in itself or its direct or indirect parent company, and these restrictions apply irrespective of whether the company whose shares are being acquired is a Norwegian or a foreign company. In order for such financial assistance to be valid and binding, the financial exposure of the Norwegian company cannot exceed the amount which the company has available for distribution of dividends to its shareholders (free equity), and the financial assistance must also be granted according to "ordinary commercial terms and principles."

Following certain amendments to the Norwegian Companies Acts that were introduced on January 1, 2020, the limitation of financial assistance to the amount of the Norwegian company's free equity does not apply for Norwegian private limited liability companies if (i) the acquirer of the shares is domiciled in the European Economic Area and (ii) the Norwegian company is, or will following the acquisition, form part of the same group as the acquirer (in other words, be controlled by the acquirer following the acquisition).

In addition, Section 8-10 provides that for a Norwegian company to grant financial assistance its board of directors must issue a report (Nw. *redegjørelse*) where it makes an assessment of the creditworthiness of the beneficiary of the financial assistance (meaning, the acquirer), and also gives an account of the background and the terms of the financial assistance in question. The board report must also include a declaration to the effect that (1) it will be in the interest of the company to grant the financial assistance, and (2) that the company will have sufficient equity and liquidity as required by the Norwegian Companies Acts when taking the financial assistance into account. Further, the report must address the requirement of the financial assistance being granted on ordinary commercial terms, typically by way of the target company receiving some kind of consideration for providing the financial support (for example, guarantee commission or similar from the acquirer). The financial assistance must thereafter be approved by a majority representing at least two-thirds of both the votes and share capital represented at the general meeting of shareholders of the Norwegian company. Finally, the minutes of the general meeting and the board report need to be filed with the Norwegian Business Register (Nw. *Foretaksregisteret*) before the financial assistance can be provided.

The Norwegian Companies Acts restricts financial assistance made "in connection with" the acquisition of shares, which may also cover financial assistance after completion of the acquisition (such as the refinancing of an acquisition loan facility or the subsequent merger of the target company and the acquiring entity). There must, however, be sufficient connection both in time and as regards other circumstances surrounding such assistance for it to be in contravention of Section 8-10.

Section 8-10 explicitly states that the restrictions on financial assistance does not apply to other distributions made in accordance with the Norwegian Companies Acts, such as distributions by way of dividends, group contributions or share capital reductions.

The issue of corporate benefit may in some situations impose a restriction on a Norwegian limited liability company's possibility to offer a guarantee and/or provide security to shareholders in addition to the restrictions described above. Norwegian law does not have a "clear and well-defined" corporate benefit principle (stating that transactions that do not sufficiently coincide with the interest or are to the benefit of the company may be challenged), as you find in many other jurisdictions. Having said that, there are several provisions in the Norwegian Companies Acts, whose main purpose are to ensure that shareholders and other related parties, board members, creditors etc., do not get what may be considered an unreasonable benefit at the expense of the Norwegian company (normally referred to as "abuse of lawful authority") and/or secure maximum profits/return for the company and its shareholders.

Financial assistance, guarantees or security infringing the limitations set out in Sections 8-7 and Section 8-10 of the Norwegian Companies Acts may be declared void if challenged and may give rise to directors' liability issues. If a credit, guarantee or security is provided in contravention of these rules, any funds paid out will have to be repaid to the company. Typically, the financial assistance restrictions set out in Sections 8-7 and 8-10 are dealt with by including so-called "limitation language" in the relevant finance documents (to the effect that the Norwegian limited liability company only guarantees and secures the relevant obligations to the extent the same would not be in breach of those restrictions).

Creation and enforcement of security

Norwegian law strictly requires written statutory basis for establishing a security interest. Although it is not possible for a Norwegian company to provide a fixed or floating charge over all its present and future assets, Norwegian law provides for effectively creating security over a range of closely defined asset types. For example, floating charges may be established over certain asset types of a Norwegian company.

As a main rule, a secured creditor does not have a general step-in right to security assets in an enforcement situation and agreements on enforcement cannot validly be entered into prior to the occurrence of an event of default. Instead, enforcement must be sought through the Norwegian courts and/or the Norwegian enforcement authorities. However, this is different for financial instruments, such as shares in a Norwegian limited liability company. If the secured party is a financial institution or bond trustee, the shares are considered financial collateral, and the parties are free (within reasonable limits) to agree on the enforcement process in the share pledge agreement.

Also, for specific security assets, and under certain circumstances, a creditor may take possession or directly enforce its rights upon enforcement. This is the case for security established over receivables (such as trade receivables or bank account claims) whereby the secured party may instruct the relevant debtor to pay the outstanding amounts directly to the secured party instead of to the chargor.

The concept of a security trustee, as it is understood under common law, does not exist under Norwegian law. In practice, in an arrangement with a security agent acting on behalf of the secured parties, as these exist from time to time, it is generally recognized under Norwegian law that the security agent will be able to enforce the security on behalf of the secured parties and apply any proceeds to the secured parties. In order to commence any legal action regarding a claim (for enforcement purposes or otherwise) against the debtor the security agent may, however, be required to disclose to the court the identity of the creditors and have the creditors join in or participate as claimants in the proceedings. It has been established by the Norwegian Supreme Court that a bond trustee for an undisclosed number of bondholders can, based on the provisions in the bond agreement, take legal action against the issuer on behalf of and in lieu of the bondholders and without having to disclose the entity of the bondholders.

Insolvency—Bankruptcy

Norwegian insolvency legislation is contained in the Norwegian Bankruptcy Act of June 8, 1984 no. 58 (the "Norwegian Bankruptcy Act"), which sets out the various procedures to be followed, and the Creditors Recovery Act of June 8, 1984 no. 59 (the "Norwegian Recovery Act") containing *inter alia* provisions regulating priority of claims and revocation of certain pre-liquidation transactions.

Norwegian insolvency legislation (save for the provisional Norwegian Reconstruction Act described below) prioritize the timely recovery and realization of underlying assets, rather than the rescue of the company/debtor as such, and generally follow internationally recognized standards with: (i) a seizure and subsequent disposal of debtor's assets, (ii) assessment and ranking of claims, (iii) testing and revocation of transactions made prior to bankruptcy, and (iv) continued operation of the company at the risk of, and (in practice) only if guaranteed by, creditors.

Norwegian bankruptcy proceedings are opened following a petition from a creditor or the debtor itself to the local court where the debtor has its headquarters. The court will request a cash deposit of NOK 58,600 (as of 2020) from the petitioning creditor (does not apply to the debtor or employee-initiated bankruptcy) to secure court fees and basic costs related to the proceedings.

The court reviews whether the procedural and material requirements for opening the procedures are fulfilled. A petition from a creditor will be served on the debtor, and a court hearing will take place within two or three weeks after the petition has been filed with the court. The court will, pre-judicially, review any objections the debtor might have to the petition (for example, whether the creditor holds a valid claim or the debtor's possible counterclaim, among others). The creditor has to prove by a high degree of probability both (i) that the creditor holds valid claim that is due for payment and (ii) that the debtor is insolvent.

There are two requirements for a debtor to be deemed to be insolvent. The debtor must (i) be unable to service its debt as it becomes due, such payment difficulties not being of a temporary nature and (ii) the debtor must be in deficit (the company's debts must exceed the sum of its assets and revenue, based on real, not book, values).

The bankrupt company will be controlled by the court appointed liquidator (generally a lawyer). The liquidator is often assisted and supervised by a creditors' committee, also appointed by the court. A liquidator would be in control of the company's property following insolvency and the liquidator will generally adhere to the wishes of the secured creditor as the liquidator's main purpose is to dispose of the property.

The general task of the liquidator is to turn all assets into cash in the manner assumed to be most profitable for the estate (the creditors) and then distribute the available cash to the creditors. All the company's assets will in practice be seized and the debtor may not dispose of the seized assets in any way while the bankruptcy proceedings are ongoing.

The liquidator can decide that the business will continue to trade only if this is regarded as being in the best interest of the estate as such. New debt incurred by the estate will be regarded as preferential debts. The liquidator will therefore normally seek to obtain guarantees from creditors in favor of the estate (to cover debts to suppliers, etc.).

Secured creditors are, in principle, not deemed to be part of the bankruptcy proceedings to the extent the value of the security is sufficient to cover the underlying obligations of the debtor. The secured creditors may, in principle, realize the security, and cover their claims, however, keeping in mind that the realization of a number of categories of security during the first six months after the opening of a bankruptcy will be subject to the approval of the bankruptcy estate (the same principles apply to official debt negotiations). The bankruptcy estate has the right, subject to certain conditions being fulfilled, to realize the security with a wiping out effect on unmet liens and divide the proceeds between the secured creditors and other holding legal rights in the assets.

Furthermore, the bankruptcy estate has a statutory first lien of up to 5% of the estimated value or sales value of all assets (except financial collateral) secured by the debtor for its own debt or by a third-party for the debtor's indebtedness.

In Norwegian bankruptcies, the creditors will be paid according to the following priority:

- (i) secured claims (are covered to the extent of the value of the secured asset; any remaining balance is "transferred" to "ordinary claims");
- (ii) claims which arise during the bankruptcy proceedings, liquidators' costs, obligations of the estate;
- (iii) salary claims (within certain limitations);
- (iv) tax claims (for example, withholding tax and VAT within certain limitations);
- (v) ordinary claims (*pari passu*: unsecured debt, trade creditors, indemnity claims etc.); and
- (vi) subordinated debt.

Pursuant to the Norwegian Recovery Act, the bankruptcy estate may be entitled to set aside or reverse transactions carried out in the three to twelve-month period (and, in respect of transactions in favor of related parties, up to two years) before the opening of the bankruptcy, such as extraordinary payments of certain creditors, security established for existing debt and transactions at an under-value. The bankruptcy estate may also, under certain circumstances, be entitled to set aside or reverse transactions made in bad faith or negligently

which in an improper manner increase the debtor's debt, favor one or more creditors at the expense of others or deprive the debtor of assets which may otherwise have served to cover the creditors' claims, in which case the time limit for challenges by the estate is increased to 10 years.

Insolvency—Reconstruction

The provisional Norwegian Provisional Reconstruction Act of May 7, 2020 No. 38 (the "Norwegian Reconstruction Act") relates to restructuring to alleviate financial difficulties resulting from the COVID-19 outbreak. Reconstruction is a law regulated "instrument" by which the debtor may seek bankruptcy protection and protection from debt recovery proceedings, with the aim to reorganize the business and reach a composition agreement with the creditors. The reconstruction proceedings are regulated by the Norwegian Reconstruction Act, replacing, subject to certain exceptions, Part I of the Norwegian Bankruptcy Act for as long as the Reconstruction Act remains in effect.

Reconstruction proceedings may be initiated by the courts after petition from the debtor or, on certain conditions, from creditors (but may not be instituted against the will of the debtor).

In order for the courts to open reconstruction proceedings, the debtor must be encountering, or will in the foreseeable future encounter, severe financial difficulties.

If the petition is granted, the Court shall appoint a reconstructor (who shall be an insolvency lawyer) and a creditors committee (the "Reconstruction Committee").

The key feature of the reconstruction proceedings is that all creditor collection steps are suspended, in particular:

- Payment of all pre-petition debt is suspended
- The debtor is protected from creditor initiated bankruptcy and debt recovery and enforcement proceedings while the debtor's business is being reconstructed
- The debtor's business is under the supervision of the Reconstruction Committee

The aim of the proceedings is in essence a reconstruction of the debtor's business and to reduce the risk of unnecessary bankruptcy of viable businesses.

The Reconstruction Act distinguishes between voluntary composition and compulsory composition. A voluntary composition may in principle include any possible arrangement or composition. However, it requires an approval from each and every one of the creditors, and is only binding on those creditors who have participated in the composition (for example, not on "unknown" creditors). In a compulsory reconstruction, there are limitations with respect to the contents of the proposal. It is however binding on the minority of creditors, and also on unknown creditors.

Pursuant to the Reconstruction Act a voluntarily reconstruction may include (and a compulsory composition can only include) a:

- (i) moratorium;
- (ii) percentage reduction of the debt;
- (iii) full or partial conversion of debt to equity (only applicable to consenting creditors);
- (iv) transfer of all or parts of the debtor's business and assets, without liquidation;
- (v) transfer and liquidation of all or parts of the debtor's business and assets, discharging the debtor of the obligations not covered by the liquidation; or
- (vi) a combination of the above mentioned measures.

The proposed composition, together with the recommendation from the Reconstruction Committee, is distributed to all creditors included in the composition, and the creditors are requested to confirm to the Reconstruction Committee whether or not the proposed composition is accepted.

The creditors must accept or reject the composition within a time limit of minimum two, and maximum three weeks.

The voluntary composition is considered approved when it has been accepted by all the creditors included in the composition. A compulsory composition is considered approved when it has been accepted by 1/2 of the voting creditors.

If the proposed composition is rejected by any of the creditors, the proposal may be subject to negotiations and amended. The new proposal may be distributed to the creditors, always provided that the Reconstruction Committee considers that the amended debt composition is likely to be obtained. If the amended proposal is rejected, no further proposals may be distributed.

The only claims which may be excluded from the debt composition are preferential claims, secured claims, valid counterclaims, and claims below a defined threshold set out in the proposed composition.

Solvent enforcement

Enforcement of security normally requires that the secured party files an application to the enforcement authorities for the enforcement of the security. Certain types of security may, however, be enforced without the involvement of the enforcement authority or a court, typically security established pursuant to the Financial Collateral Act of March 26, 2004 no. 17 and charges over monetary claims. A provision granting the secured party such right of enforcement is typically included in any security agreement between the pledgor/chargor and the secured party.

Enforcement of a guarantee claim against a solvent guarantor will in principal require a final, legally binding judgment by a court (unless the guarantee is made as an enforceable promissory note). Thereafter the creditor may apply to the enforcement authorities for enforcement of his or her claim.

Finland

Applicable Insolvency Law

The Finnish target company Assemblin Oy is incorporated and has its centre of main interests in Finland. In the event of insolvency of a Finnish company, insolvency proceedings may be initiated in Finland. Such proceedings would be governed by Finnish law. In case insolvency proceedings are connected to another EU member state within the meaning of regulation (EU) 2015/848 of the European Parliament and of the Council on Insolvency Proceedings, and provided that said regulation is applied to such EU member state, the regulation shall apply.

The following is a brief description of certain aspects of the Finnish insolvency law.

The provisions of the Finnish Bankruptcy Act (FI: Konkurssilaki, 120/2004, as amended, “Bankruptcy Act”), the Finnish Restructuring of Enterprises Act (FI: Laki yrityksen saneerauksesta, 47/1993, as amended, “Restructuring Act”) and the Finnish Act on the Recovery of Assets to the Bankruptcy Estate (FI: Laki takaisinsaannista konkurssipesään 758/1991, as amended, “Recovery Act”) are particularly relevant to this discussion.

Under Finnish law, if there is an imminent risk of a company becoming insolvent or the company is already insolvent but it is probable that a company restructuring would remedy the company’s insolvency, the company may be placed in a company restructuring (FI: *yritysaneeraus*). Alternatively, if a company is insolvent, the company may be subjected to bankruptcy proceedings (FI: *konkurssi*).

In addition to company restructuring and bankruptcy, a Finnish limited liability company may also be subject to liquidation (FI: *selvitystila*) under the Finnish Companies Act (FI: *Osaakeyhtiölaki*, 624/2006, as amended). However, liquidation proceedings are voluntary and are used in practice to dissolve the company following a bankruptcy or to dissolve a solvent company. In cases where a solvent company is subject to liquidation, there is an obligation to conclude liquidation proceedings and file for bankruptcy if the company’s known debts cannot be fully settled in liquidation. Thus, considerations regarding liquidation proceedings are not addressed in the following.

Company Restructuring

If a company is insolvent or there is an imminent risk of the company becoming insolvent, and it is probable that company restructuring proceedings would remedy the insolvency or prevent its recurrence otherwise than

temporarily, an application for company restructuring can be filed with a court by the debtor or by one or more creditors in accordance with the Restructuring Act. Furthermore, the initiation of company restructuring proceedings is possible also without analysis of the debtor company's solvency situation, when at least two creditors whose total claims represent at least one-fifth of the debtor's known debts and who are not related to the debtor file a joint application with the debtor or declare that they support the debtor's application for company restructuring.

If there are no specific barriers to restructuring under the Restructuring Act and, consequently, the court approves the application and commences restructuring proceedings, the court will simultaneously appoint a restructuring administrator (FI: *selvittäjä*). The purpose of restructuring proceedings is to investigate whether the debtor's business has a reasonable chance to continue profitably and, if so, to rehabilitate the company's viable business, ensure its continued viability and make debt arrangements with creditors and execute other restructuring measures. The Board of Directors and the Managing Director continue to act on behalf of the company during the restructuring proceedings. The restructuring administrator's right to receive information of the debtor company's business is extensive. The administrator is entitled to review the debtor company's books and business documents and obtain any information on the company's business activities, as well as to participate in meetings of the debtor's corporate bodies. The restructuring administrator's consent is required to certain legal acts of a significant nature of the debtor company specified in the Restructuring Act.

The commencement of restructuring proceedings, as a general rule, has no effect on the debtor's existing contracts. However, there are some exceptions set forth in the Restructuring Act regarding premature termination of certain contracts, such as lease agreements, unfulfilled contracts not deemed to be a regular part of the activities of the debtor and employment relationships.

Moratorium

Subject to certain exceptions, all existing claims against the debtor company that have arisen before the filing of the restructuring application are suspended as of the commencement of the company restructuring. The commencement of the proceedings as a main rule results in several interdictions regarding restructuring debt (meaning, debt that has arisen before the filing of the application), including a prohibition of repayment and debt collection measures including enforcement of security provided by the debtor company on restructuring debt, and precautionary measures (although debts arising after the filing of the restructuring application must be repaid and can be enforced—please see below), such as the seizure of assets and prohibition of placing of security. The court may order, on the request of the applicant or the debtor, that such interdictions are in effect on an interim basis as of a date prior to the commencement of restructuring proceedings (in other words, shortly after the filing of the application for the restructuring proceedings). The interdictions are in force until the restructuring program has been affirmed by the district court or the proceedings have been, for reasons specified in the Restructuring Act, dismissed or interrupted. Debts arising on the date when the restructuring application has been filed and thereafter are not, as a general rule, considered restructuring debt and must be repaid as they become due. The same applies to fees, charges and other running expenses (for example, lease payments) based on a continuous contractual relationship or on a continuous contract regarding the use or possession of assets, to the extent as these relate to the period subsequent to the filing of the application.

Debt Arrangements

Creditors with equal ranking receivables have an equal status in the arrangements of the restructuring debts within the restructuring program.

Subject to certain restrictions set forth in the Restructuring Act, the following measures may be taken with respect to unsecured debts in the restructuring program: (i) changing the repayment schedule; (ii) ordering that debt payments be considered as payments against principal first, and as payments of interest and other credit costs only after the repayment of the principal; (iii) reducing the obligation to pay interest and other credit costs with respect to the remaining term of a debt; and (iv) reducing the outstanding principal balance of unpaid debt. The restructuring program may also include the full or partial refinancing of debt, either as a lump sum funded by the issuance of new debt or with payments in lieu of performance that are considered reasonable having regard to the creditor's position and field of business.

Secured debt means restructuring debt where a creditor holds an effective (against third parties) security interest over assets that belong to or are in the possession of the debtor, in so far as the value of the security at the commencement of the proceedings would have been sufficient to cover the amount of the creditor's claim after

the deduction of liquidation costs and claims with a higher priority. When the interdiction of debt collection is in force, assets pledged by the debtor company as security cannot be liquidated by the pledge holder during restructuring proceedings; instead, secured creditors' receivables receive preferential treatment based on the value of the security; most importantly their principal cannot be reduced ("cut") in the restructuring program. The part of the creditor's claim that is not covered by the value of the security does not qualify as secured debt but, instead, is regarded as unsecured debt for the purposes of the restructuring proceedings and may, thus be subject to the measures described above. Regarding business mortgages, only 50% of the value of the mortgaged assets will be considered as secured debt. The value of the assets will be determined in the restructuring program.

The following debt arrangements may be applied to secured debt: (i) changing the repayment schedule; (ii) ordering that debt payments be applied as payments against principal first and as payments of interest and other credit costs second; or (iii) reducing the obligation to pay interest and other credit costs with respect to the remaining term of the debt. The restructuring program may also include the full or partial refinancing of secured debt as a lump sum payment funded by the issuance of new debt.

Even if the debt arrangement does not affect the existence or content of a creditor's security interest, the security arrangements relating to the debt may be altered by replacing the security with another fully adequate security.

Payments on a secured debt shall be set so that at least the present value of the secured debt will be repaid within a reasonable period, which shall not materially exceed the remainder of the credit period without the consent of the creditor or, if the debt has become due in full, materially exceed half of the original credit period. As for reducing interest and other credit costs, the length of the remaining credit period should be taken into consideration in the restructuring program, so that the longer the remaining credit period, the smaller the reduction in interest and credit costs.

Approval of the Restructuring Program

The draft of the restructuring program shall be drawn up by the restructuring administrator, and the court shall affirm it subject to the approval of all the known creditors or with the acceptance of a majority of the voting creditors in creditor groups in accordance with the Restructuring Act. However, there are some specific limitations under the Restructuring Act relating to the affirmation of the restructuring program which apply even if the restructuring program is approved by all creditors or the majority in all groups of creditors. Furthermore, even if the majority does not exist in one or several groups of creditors, the restructuring program may nonetheless be approved at the request of the person who has prepared the draft, the administrator or the debtor, subject to the terms specified in the Restructuring Act. In such a case the restructuring claims of the creditors in favor of the program must represent at minimum one-fifth of all restructuring claims of the debtor company taken into consideration in the voting procedure in accordance with the Restructuring Act and at least one group of creditors must have voted for the approval of the program by majority. The debtor may also submit a restructuring program proposal to the court, which the court may consider in its discretion. There is also a possibility of affirmation on the restructuring program in expedited proceedings provided that the program is supported, in writing, by creditors whose claims total at least 80% of the overall total claims of the creditors, and from each creditor whose claim is at least 5% of the overall total claims of the creditors.

Bankruptcy

A debtor or its qualifying creditor may apply for bankruptcy from a court of competent jurisdiction when the debtor is unable to pay its debts and the inability to pay is not temporary (meaning, the company is considered insolvent). If the application is approved, an estate administrator (or, in some cases, several estate administrators) (FI: *pesänhoitaja*) will be appointed by the court.

A bankruptcy covers all the liabilities of the debtor, and its objective is to liquidate the assets of the debtor and use the proceeds received in payment of the bankruptcy creditors' claims. The bankruptcy estate may also (subject to the bankruptcy creditors' decision) continue the company's business operations. The debtor's assets are, from the beginning of the bankruptcy, subject to the authority of the estate administrator. The bankruptcy creditors are represented through the meeting of creditors. The estate administrator must act for the common benefit of all bankruptcy creditors and shall comply with the decisions and guidelines of the bankruptcy creditors in matters falling within the decision-making powers of the creditors.

Notices to the Bankruptcy Estate with regard to Claims

As a main rule, in order to be entitled to a disbursement (FI: *jako-osuus*), a creditor must file a claim in bankruptcy in writing with the estate administrator, by a deadline, the lodgment date, set by the estate

administrator in connection with the lodgment of claims (FI: *konkurssivalvonta*). However, there are some specific exceptions in the Bankruptcy Act according to which a claim is to be taken into account without it being filed. Information concerning the lodgment date shall be sent to the Legal Register Centre, the debtor and all known creditors as well as in some cases in the Official Journal of Finland (FI: *Virallinen lehti*). The obligation to notify the bankruptcy estate of a claim is binding even on a creditor with a secured claim. A creditor who holds assets belonging to the debtor as security for the debt of a third party must, at the request of, and within a time limit set by, the estate administrator, provide the same information on the receivables and security as should be provided in a claim letter. A creditor who holds a business mortgage over the assets of the debtor, as referred to in the Finnish Business Mortgages Act (FI: *Yrityskiinnityslaki* 634/1984, as amended), as security for a claim against the debtor in bankruptcy or a debt owed by some other debtor shall file the claim as provided in the Bankruptcy Act. If a claim is denominated in a currency other than euro, the value in euro for the purposes of the bankruptcy proceedings is determined using the exchange rate of the date of commencement of the bankruptcy proceedings.

A creditor who wishes to use his or her claim for set-off against a debt owed to the debtor must, when giving notice of the set-off, provide the estate administrator with the same information that would be provided in a claim letter. The notice of set-off must be made at the latest on the set lodgment date.

Disbursements

The estate administrator draws up a list of how the proceeds of the estate are to be divided among the creditors (“draft disbursement list,” FI: *jakoluetteloehdotus*). The court verifies that the estate administrator’s draft disbursement list meets the statutory requirements and that the procedural provisions relating to the draft disbursement list have been observed. A creditor may make statements on the draft disbursement list in so far as it concerns the creditor’s claim. A creditor may also dispute the claim of another creditor or its precedence of rank, as entered into the draft disbursement list. After having heard the creditors and also the debtor, the estate administrator will draw up a (final) disbursement list by revising the draft disbursement list as he or she sees fit on the basis of the disputes and statements. The estate administrator’s disbursement list shall be submitted to the court for certification.

The creditors have an equal right to payment out of the proceeds of the bankruptcy estate in the proportion of the amount of their claims, unless otherwise provided by law. However, according to the Finnish Act on the Order of Payment of Creditors (1578/1992, as amended, FI: *Laki velkojen maksusaantijärjestyksestä*), the following creditors have priority over unsecured creditors to receive their claims in the following order: (i) creditors of secured claims (excluding claims secured by business mortgage) and holders of retention rights, with priority over the proceeds from the respective security asset; (ii) creditors of the administrative expenses of the bankruptcy estate, claims on the basis of contracts that the bankruptcy estate (rather than the debtor) has entered into, any liabilities for which the bankruptcy estate is responsible by law and a debt that has arisen between the commencement and discontinuation of restructuring proceedings; (iii) if the company has undergone restructuring proceedings before the bankruptcy, (A) fees and expenses of the restructuring administrator with interest on delayed payments incurred until the time of payment of the fees and expenses and after the satisfaction of said payment and (B) creditors of a debt that has arisen between the commencement and discontinuation of restructuring proceedings, and (iv) creditors with claims that are secured by a business mortgage will receive prior to unsecured claims 50% of the value of the mortgaged assets. In case of secured bankruptcy debts and bankruptcy debts secured by business mortgage, any debt exceeding the value of the assets pledged as security (50% of the value in the case of business mortgage) is considered unsecured debt, unless these fall under another basis of precedence (or subordination—please see below).

Under Finnish law, certain claims are settled after all other claims. In practice, the most significant of such claims are the interest accruing on bankruptcy debt during the period after the commencement of the bankruptcy, a bond that pursuant to its terms ranks after all the other obligations of the issuer and a subordinated loan that in insolvency and liquidation may be settled after all the other creditors. The Finnish state has no preferential rights regarding taxes and other fiscal charges.

The assets of the bankruptcy estate are to be liquidated (sold or otherwise disposed of) in the most advantageous manner so as to maximize the aggregate net proceeds, for example by way of auctions, through advertising and direct solicitation of potential buyers. However, creditors that are secured pursuant to a fixed charge over movable or immovable property for their bankruptcy receivables may exercise a separate right of liquidation of the assets pledged as security regardless of the bankruptcy proceedings. Such right is not available for creditors secured by business mortgage.

Enforcement of pledged property

The bankruptcy estate may at its own discretion prohibit the sale of pledged property for a maximum of two months, but only once. The bankruptcy estate may sell secured assets belonging to the estate only if the creditor to whom the assets have been pledged as security consents to the same or if the court grants a specific permission. At the request of the bankruptcy estate, assets of the bankruptcy estate may also be sold in accordance with the provisions of the Finnish Enforcement Code (705/2007, as amended, FI: *Ulosottoaari*, “**Enforcement Code**”) if the bailiff consents to the same.

Recovery of Assets

Pursuant to the Recovery Act, certain acts carried out by a debtor can be revoked if the rights of the creditors have been prejudiced by or as a result of those acts. According to the Restructuring Act and the Enforcement Code, the grounds for recovery set forth in the Recovery Act shall also be applied in company restructuring and enforcement proceedings.

The bankruptcy estate administrator, the restructuring administrator and certain creditors may seek the recovery of assets of the debtor to the bankruptcy estate or the company under restructuring or enforcement proceedings, in connection with bankruptcy, company restructuring or enforcement proceedings. The administrator or the creditors may, within a specified recovery time, either file an action for recovery against the debtor’s counterparty involved in the act in a separate court proceeding or file an objection against or make a statement against a claim filed in bankruptcy. In bankruptcy, this period to file an action is one year from the commencement of the bankruptcy proceedings or three months from the moment that the bankruptcy estate took note or should have taken note of the grounds for recovery. In restructuring, the restructuring administrator must file an action within six months from the commencement of the restructuring proceedings or within three months from the moment that the administrator took note or should have taken note of the grounds for recovery.

Certain general rules for recovery apply to all transactions between an insolvent debtor (including a debtor who becomes insolvent partially due to the transaction) and the counterparty of the debtor. A transaction concluded within five years prior to the date when the petition for bankruptcy, company restructuring or enforcement was filed with the court or another relevant authority (as well as transactions performed after such a date) may be recovered if: (i) the transaction, either by itself or together with other transactions, improperly (a) favors a creditor at the expense of other creditors, (b) places assets of the debtor beyond the reach of creditors, or (c) increases debts to the detriment of creditors; (ii) the debtor, at the time of the transaction, was, or partly due to the transaction became, insolvent, or over-indebted in case of a transaction that can be considered a gift or a contract with the characteristics of a gift; (iii) the counterparty knew or should have known of the insolvency or over-indebtedness, or the relevance of the transaction to the debtor’s economic situation; and (iv) the counterparty knew or should have known of the facts mentioned above in clause (i), on the basis of which the transaction is considered improper. The grounds for recovery under Section 5 of the Recovery Act, which covers all transactions concluded between the debtor and a counterparty, are thus applicable only if the counterparty had qualified or should have had qualified knowledge of all the issues described above in (i) and (ii). Transactions between the debtor and certain (natural or legal) persons within the debtor’s sphere of interest (close parties, FI: *läheiset*, as defined in the Recovery Act) may be recovered regardless of the date of the transaction and such persons are assumed to have had knowledge of the issues described above in (i) and (ii). Also, the burden of proof with regard to some matters related to the recovery, is reversed if the transaction was concluded between such close parties.

Pursuant to the Recovery Act, certain transactions can, in certain circumstances, be recovered regardless of the good faith of the counterparty and regardless of the solvency of the debtor at the time of the transaction. Such transactions include, among other things: (i) payments received through enforcement; (ii) the payment of debts; and (iii) the granting of security or other collateral (and (iv) gifts or contracts with characteristics of a gift, which shall not be discussed further herein). Any debt paid later than three months prior to the date when the petition for bankruptcy, company restructuring or enforcement was filed with the court or relevant authority (or, in the event that the beneficiary is a person within the debtor’s sphere of interest, as described above, within two years) may be recovered if: (i) unusual means of payment have been used; (ii) the payment was premature; or (iii) the amount of payment was considerable in comparison to the assets of the debtor. However, a payment may not be recovered if it, when all circumstances are taken into consideration, may be considered ordinary. A debt paid to a natural or legal person within the debtor’s sphere of interest may be recovered in respect of the longer two-year period unless it is shown that the debtor, at the time of the payment, was not insolvent or did not become insolvent due to the payment. A security or other collateral given later than three months prior to the date when

the petition for bankruptcy, company restructuring or enforcement was filed with the court or the relevant authority (or, in the event that the beneficiary is a person within the debtor's sphere of interest, within two years) may be recovered if: (i) the parties had not agreed upon the security in connection with the creation of the debt; or (ii) the possession of the security had not been transferred or another act perfecting the security had not been completed without unjustified delay after the creation of the debt. A security given to a natural or legal person within the debtor's sphere of interest may be recovered in respect of the longer two-year period unless it is shown that the debtor was not insolvent or did not become insolvent due to the arrangements for security.

When a transaction is recovered, the assets that have been received from the debtor are returned to the debtor or the bankruptcy estate if the debtor is in bankruptcy. The bankruptcy estate or the debtor also returns the compensation that had been paid for the assets. If the compensation has been placed beyond the reach of the creditors and the party that paid the compensation knew or should have known that this was the intention of the debtor, there is no obligation to return the compensation. If the assets to be returned no longer exist, or are otherwise not returnable, compensation for the value of the assets must be made. In addition, should the return of certain assets cause inconvenience to the party under such obligation, a court may entitle such party to pay compensation equal to the value of the assets instead of returning the assets. The Recovery Act also sets forth an obligation to compensate for any decrease in value of the returnable assets.

Limitations on the validity and enforceability of guarantees and security

Pursuant to the provisions of the Finnish Companies Act (624/2006, as amended, In Finnish *Osaakeyhtiölaki*) (the "Finnish Companies Act") a Finnish limited liability company may not provide financing for, or grant guarantees or security to secure the financing of, the acquisition of its or its parent company's shares (financial assistance).

Further, a Finnish limited liability company can only distribute its assets in the ways specified in the Finnish Companies Act. Other transactions that reduce the assets of a company or increase its liabilities without a corporate benefit i.e., unless doing so is in the company's own commercial interest, constitute an unlawful distribution of assets. Granting of guarantees and security requires that the granting of guarantee/security is based on sound business reasons (corporate benefit). The business justification for granting the guarantee or security is assessed on a company-level and on a stand-alone basis. Group benefit can only be taken into regard in case the issuer of the guarantee or security can be reasonably argued to derive as a member of the group a benefit itself as a result of the overall group benefit. In addition to the corporate benefit requirement, the granting of the guarantee/security has to be within the limits of the company's business purpose (as set out in its articles of association) and the company may not be insolvent and the granting of security may not result in the company becoming insolvent.

For the abovementioned reasons, it is standard market practice for indentures, credit agreements, guarantees and security documents to include, where such security is granted for third party liabilities (including other members of the group), language pursuant to which the scope of guarantees and security granted by limited liability companies incorporated in Finland is contractually limited so as to not be in conflict with the relevant statutory limitations. The actual scope of a guarantee issued or security granted by a Finnish obligor may therefore be substantially less than the aggregate amount of liabilities expressed to be guaranteed or secured and, in fact, it is possible that owing to the application of mandatory Finnish law relating to unlawful profit distribution, as applied to the guarantee or security granted, no liabilities or obligations will under Finnish law, be held to be effectively guaranteed or secured.

Creation of a valid security interest

Other than in respect of the creation of registered mortgages over assets belonging to certain specific asset classes (such as real estate, qualifying vehicles, ships, aircraft and intellectual property rights) capable of being the subject of registered security, the creation of a valid and enforceable security interest under Finnish law is achieved by pledging the security assets and perfecting such pledge, typically by transferring such security assets into the exclusive physical possession of the pledgee. In order for the perfection to be effective, the pledgor must be effectively deprived of its right to control, deal with or dispose of the security assets. If the pledgor remains in possession of, retains exclusive or shared control over, or remains entitled to operate or collect, invest and dispose of any income from such assets, the relevant security interest will not be deemed to have been effectively created until it is duly perfected, typically after the occurrence of the agreed trigger event. Perfection cannot be achieved once insolvency proceedings have been commenced and can be deemed susceptible and be set aside in insolvency proceedings if perfected within a certain critical time before the commencement of insolvency proceedings.

Enforcement of security

The pledge of most movable assets (such as shares) may be enforced without a court judgment or the involvement of an enforcement official or, should the pledgee deem it necessary, through official enforcement. A pledge of shares is typically enforced by private sale and a pledge of receivables either by selling the receivable or by the secured creditor collecting payment of the receivable. Typically, the collection of receivables directly from the debtors of the pledgor results in a more expedient and profitable outcome than a sale of the receivables, both of which are forms of self-enforcement. In case the debtor does not pay the debts in the due time, the pledgee has the possibility to file a claim to the District Court in order to obtain a summary judgment, which can be used as grounds for official enforcement.

The Finnish Commercial Code (3/1734, as amended, *Kauppakaari*) stipulates a default process in respect of an enforcement of pledge of movable assets. The parties may, as a rule, contract out most parts of the default process. The parties' discretion with regard to the enforcement methods is, however, limited (a) by the statutory invalidity of a contractual provision providing that title to the pledged asset shall, upon default, automatically transfer to the pledgee (however, the debtor and creditor may, after the pledgee has become entitled to enforce the security, effectively agree that an obligation is discharged partly or in full by the pledgee assuming ownership of the pledged asset), and (b) by the pledgee always having a duty to ascertain that the interests of the pledgor and other creditors of the pledgor are not unduly jeopardized due to the actions taken by the pledgee.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of any of the Temporary Notes or Additional Notes offered hereby.

General

The Temporary Notes, the Additional Notes and the Notes Guarantees have not been and will not be registered under the Securities Act, or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and securities laws of any other applicable jurisdiction. Accordingly, the Temporary Notes, the Additional Notes and the Notes Guarantees offered hereby are being offered and sold only to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and in offshore transactions in reliance on Regulation S.

We have not registered and will not register the Notes or the Notes Guarantees under the Securities Act and, therefore, the Temporary Notes and the Additional Notes may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, we are offering and selling the Temporary Notes to the Initial Purchasers for re-offer and resale only:

- in the United States to “qualified institutional buyers,” commonly referred to as “QIBs,” as defined in Rule 144A in compliance with Rule 144A; and
- outside the United States in an offshore transaction in accordance with Regulation S.

Upon exchange for the Temporary Notes, the Additional Notes may only be offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

We use the terms “offshore transaction” and “United States” with the meanings given to them in Regulation S.

Important Information About the Offering

Each purchaser of Temporary Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with the Issuer, the Guarantors and the Initial Purchasers as follows:

- (i) You understand and acknowledge that the Temporary Notes, the Additional Notes and the Notes Guarantees have not been registered under the Securities Act or the securities laws of any other applicable jurisdiction and that the Temporary Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including sales pursuant to Rule 144A, and, unless so registered, none of the Temporary Note or the Additional Notes may be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (iv) and (v) below.
- (ii) You are not our “affiliate” (as defined in Rule 144 under the Securities Act) or acting on our behalf and you either:
 - (a) are a QIB, within the meaning of Rule 144A, and are aware that any sale of these Temporary Notes to you will be made in reliance on Rule 144A, and such acquisition will be for your own account or for the account of another QIB; or
 - (b) are purchasing the Temporary Notes in an offshore transaction in accordance with Regulation S.
- (iii) You acknowledge that neither we, nor any of the Guarantors or the Initial Purchasers, nor any person representing any of them, has made any representation to you with respect to the Issuer and its subsidiaries or the offer or sale of any of the Temporary Notes or the Additional Notes, other than the information contained in this offering memorandum, which offering memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Temporary Notes and the Additional Notes. You acknowledge that no person other than the Issuer makes any representation or warranty as to the accuracy or completeness of this offering memorandum. You have had access to such financial and other information concerning us, the Temporary Notes and the Additional Notes as you have deemed necessary in connection with your decision to purchase any of the Temporary Notes, including an opportunity to ask questions of, and request information from, us and the Initial Purchasers.

- (iv) You are purchasing the Temporary Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any other applicable securities laws, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within its or their control and subject to your or their ability to resell such Temporary Notes or the Additional Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.
- (v) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Rule 144A Temporary Global Notes, and each subsequent holder of the Temporary Notes and the Additional Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Temporary Notes and Additional Notes prior to the date (the “Resale Restriction Termination Date”) that is one year after the later of the date of the original issue of the Temporary Notes and the last date on which the Issuer or any of its affiliates was the owner of such Temporary Notes or Additional Notes (or any predecessor thereto) only:
 - (a) to the Issuer, the Guarantors or any subsidiary thereof;
 - (b) pursuant to a registration statement that has been declared effective under the Securities Act;
 - (c) for so long as the Temporary Notes or the Additional Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A;
 - (d) pursuant to offers and sales that occur outside the United States in compliance with Regulation S; or
 - (e) pursuant to any other available exemption from the registration requirements of the Securities Act;
 subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and to compliance with any applicable state securities laws, and any applicable local laws and regulations.
- (vi) You acknowledge that the Issuer, the Temporary Trustee, the Trustee, the Registrar and the Transfer Agent reserve the right prior to any offer, sale or other transfer of the relevant Temporary Notes or Additional Notes (i) pursuant to clause (d) or (e) above prior to the Resale Restriction Termination Date of the Temporary Notes or the Additional Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to each of them, the Issuer, the Temporary Trustee, the Trustee, the Registrar, and the Transfer Agent, and (ii) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Temporary Trustee or the Trustee, as applicable. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.
- (vii) Each purchaser acknowledges that each Rule 144A Temporary Global Note and Rule 144A Additional Global Note will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)), (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE “RESALE RESTRICTION TERMINATION DATE”) WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, THE GUARANTORS OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A

QUALIFIED INSTITUTIONAL BUYER THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATIONS UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND TO COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

If you purchase Rule 144A Temporary Notes or receive Rule 144A Additional Notes in exchange for Rule 144A Temporary Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Rule 144A Temporary Notes or the Rule 144A Additional Notes, as well as to holders of the Rule 144A Temporary Notes and the Rule 144A Additional Notes.

- (viii) You agree that you will, and each subsequent holder is required to, give to each person to whom you transfer the Temporary Notes or the Additional Notes notice of any restrictions on the transfer of such Temporary Notes and Additional Notes, if then applicable.
- (ix) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Temporary Notes or the Additional Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.
- (x) You acknowledge that the registrar will not be required to accept for registration or transfer any the Temporary Notes or the Additional Notes acquired by you except upon presentation of evidence satisfactory to us and the registrar that the restrictions set forth therein have been complied with.
- (xi) You acknowledge that we, the Initial Purchasers and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties and agreements and you agree that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by your purchase of the Temporary Notes are no longer accurate and complete, you shall promptly notify us and the Initial Purchasers in writing. If you are acquiring any Temporary Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.
- (xii) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer, the Guarantors or the Initial Purchasers that would result in a public offering of the Temporary Notes or the Additional Notes or the possession, circulation or distribution of this offering memorandum or any other material relating to the Issuer, any of the Guarantors or the Temporary Notes or the Additional Notes in any jurisdiction where action for that purpose is required. Consequently, any transfer of Temporary Notes or Additional Notes will be subject to the selling restrictions set forth in this section of the offering memorandum and/or in the front of this offering memorandum and "*Plan of Distribution.*"

AVAILABLE INFORMATION

Each purchaser of Temporary Notes from the Initial Purchasers was furnished with a copy of this offering memorandum and any related amendments or supplements to this offering memorandum. Each person receiving this offering memorandum and any related amendments or supplements to this offering memorandum was deemed to acknowledge that:

- (i) such person was afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- (ii) such person did not rely on any of the Initial Purchasers or any person affiliated with any of the Initial Purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- (iii) except as provided pursuant to paragraph (i) above, no person was authorized to give any information or to make any representation concerning the Temporary Notes, the Additional Notes or each Notes Guarantee offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or any of the Initial Purchasers.

For so long as any of the Temporary Notes or the Additional Notes are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer will, during any period in which it is neither subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act, nor exempt from the reporting requirements under Rule 12g3-2(b) of the Exchange Act, make available to the holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, in each case upon the written request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Any such request should be directed to the Issuer at Åsvor Brynnel (Asvor.Brynnel@assemblin.se).

The Issuer is not currently subject to the periodic reporting and other information requirements of the Exchange Act. However, pursuant to the Temporary Indenture and the Indenture and so long as the Temporary Notes or the Additional Notes are outstanding, the Issuer will agree to furnish periodic information to holders of the Temporary Notes and the Additional Notes. See “*Description of the Notes—Certain Covenants—Reports.*”

Information contained on our website is not incorporated by reference into this offering memorandum and is not part of this offering memorandum.

INDEPENDENT AUDITORS

The combined financial statements of Assemblin Financing AB (publ) as of and for the years ended December 31, 2017, 2018 and 2019, included in this offering memorandum, have been audited by KPMG AB, independent auditors, as stated in their report appearing herein. The audit report contains an emphasis of matter paragraph that draws attention to Note 1 which describes the basis of preparation of the combined financial statements and states that the Company's combined financial statements were prepared for the purpose of inclusion in this offering memorandum in respect of an offering by the Company of the Additional Notes.

With respect to the unaudited condensed interim financial statements as of and for the nine months ended September 30, 2020, included herein, KPMG AB has reported that they applied limited procedures in accordance with professional standards for a review of such information. However, their separate report included herein states that they did not audit and they do not express an opinion on that interim information. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. The review report contains an emphasis of matter paragraph that draws attention to Note 1 that describes the basis of preparation of the combined financial statements and states that the Company's financial statements were prepared for the purpose of inclusion in this offering memorandum in respect of an offering by the Company of the Additional Notes.

LEGAL MATTERS

The validity of the Temporary Notes, the Additional Notes, the Notes Guarantees and certain other legal matters are being passed upon for us by Linklaters LLP, with respect to matters of United States federal and New York state law and English law, Linklaters LLP, with respect to matters of Luxembourg law, Linklaters Advokatbyrå AB, with respect to matters of Swedish law, Advokatfirmaet Thommessen AS, with respect to matters of Norwegian law, and Hannes Snellman Attorneys Ltd, with respect to matters of Finnish law. Certain legal matters in connection with the Offering will be passed upon for the Initial Purchasers by White & Case LLP, with respect to matters of United States federal and New York state law and English law, White & Case Advokat AB, with respect to matters of Swedish law, Wikborg Rein Advokatfirma AS, with respect to matters of Norwegian law, and White & Case Oy, with respect to matters of Finnish law.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

Sweden

Pursuant to the provisions of Regulation (EU) No 1215/2012 of the European Parliament and of the Council of December 12, 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (hereinafter the “Recast Brussels Regulation,” which apply to proceedings instituted, and judgments issued, from January 10, 2015), a judgment issued against a company in the courts of a member state of the European Union (hereinafter a “Member State”) which is enforceable in that Member State, will be directly enforceable in Sweden provided that the formal requirements in the Recast Brussels Regulation are satisfied. An application for refusal of enforcement may be lodged with the competent Swedish district court. Where such application is lodged the Swedish court may stay the proceedings if an ordinary appeal against the judgment has been lodged in the Member State of origin or the time for such appeal has not yet expired.

Under the 2007 Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (hereinafter the “Lugano Convention”), a judgment issued against a company in the courts of a member state of the European Union or the European Free Trade Association (hereinafter a “Contracting State”) which is enforceable in that Contracting State, will be enforceable in Sweden upon the fulfilment of the following requirements: (a) that a motion for enforcement has been granted by the competent Swedish district court, and (b) that the formal requirements in the Lugano Convention have been fulfilled.

Judgments issued against a Swedish party in the courts of a state which is not a Member State or a Contracting State (hereinafter a “Third Country”) are, as a general rule, not legally recognized or enforceable in Sweden. Instead, a Third Country judgment will be regarded by a Swedish court, administrative tribunal or executive or other public authority merely as factual evidence of, for example, the outcome or circumstances of the dispute to which the judgment relates. The United States is a Third Country. Thus, New York law, which is the governing law of the Additional Notes and the Indenture, falls into the foregoing category. Thus, separate legal proceedings on the same subject matter must generally be commenced in Sweden. During those proceedings the Swedish court will, as a general rule, not be bound by the outcome of the Third Country judgment and may choose to try the dispute without regard to the Third Country judgment. Under certain conditions, including where a contract under review contains an exclusive jurisdiction clause in favor of the Third Country courts, the Swedish court will not re-examine the merits of the claim. Instead, the Swedish court in that case may render a judgment based on the foreign judgment. However, it is nevertheless the Swedish, and not the Third Country, judgment that will ultimately be enforced. Following the exit of the United Kingdom from the European Union and the end of the United Kingdom’s transition period, the United Kingdom is deemed a Third Country for the purposes of the Recast Brussels Regulation and the Lugano Convention. However, judgments obtained from a court in the United Kingdom in respect of an exclusive jurisdiction clause under a contract dated on, or after, January 1, 2021, may thereafter be enforced in accordance with, and subject to the fulfilment of the relevant conditions of, the 2005 Hague Convention on choice of court agreements, to which the European Union is a contracting state and the United Kingdom acceded effective from January 1, 2021. Consequently, judgments obtained from a court in the United Kingdom and which either do not fulfil the foregoing requirements or which relate to a contract dated prior to January 1, 2021, may not be enforced in accordance with the Hague Convention.

Foreign arbitral awards are enforceable in Sweden pursuant to the Swedish Arbitration Act which reflects the rules of the New York Convention (to which Sweden has acceded).

Norway

A civil judgment/ruling or in-court settlement (a “judgment”) against a Norwegian party passed by the courts of a foreign state may be recognized and enforceable in Norway if (i) such judgement concerns civil or commercial matter to which the Lugano Convention on the Recognition of Judgments in Civil and Commercial Matters applies, and such state is a Contracting State (as defined in the Lugano Convention) or (ii) such state is a state with which Norway has entered into a convention on the mutual recognition and enforcement of judgments, or (iii) the jurisdiction of the foreign court has been specifically agreed between the parties in a particular civil matter in accordance with the Norwegian Civil Procedure Act of June 17, 2005 No. 90 section 4-6. The Lugano Convention does not apply to (i) the status or legal capacity of natural persons, rights in property arising out of a matrimonial relationship, wills and succession; (ii) bankruptcy, proceedings relating to the winding up of insolvent companies or other legal persons, judicial arrangements, compositions and analogous proceedings; (iii) social security; (iv) arbitration.

Foreign arbitral awards are enforceable in Norway pursuant to the Norwegian Arbitration Act of 14 May, 2004 No 25 section 45 and 46 which reflects the rules of the New York Convention (to which Norway has acceded).

Furthermore, a judgment will only be recognized or enforceable as a matter of right if it is (i) final, non-appealable, conclusive and enforceable in and pursuant to the laws of the country in which it has been passed, and (ii) not given in default of appearance (and the legal action opening the case was not served to the defendant), or if it is irreconcilable with a judgment given in a dispute between the same parties in the state in which recognition is sought or with an earlier judgment given in another state bound by the Lugano Convention or in a third state involving the same cause of action and between the same parties, pursuant to the Lugano Convention article 34, and (iii) the recognition and enforcement of the judgment is not considered to be in conflict with decency or Norwegian mandatory law or public policy (“ordre public”), cf. the Norwegian Civil Procedure Act of June 17, 2005 No. 90 section 19-16.

The foregoing could imply, inter alia, that judgments by U.S. courts may not be recognized or enforceable in Norway as a matter of right. However, such judgments may be admissible as evidence in the courts of law, executive or other public authorities of Norway and may, assuming the same applicable law applies (*lex causae*), in such capacity carry persuasive authority depending on the merits of the judgment limiting the need for a full retrial on its merits.

A civil judgements in the United Kingdom will be recognized and enforceable in Norway pursuant to the bilateral agreement with the United Kingdom dated October 13, 2020, declaring the continued application of the bilateral convention between the United Kingdom and Norway providing reciprocal recognition and enforcement of judgments in civil matters dated June 12, 1961.

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

The Issuer will apply to the Authority for the listing of and permission to deal in the Temporary Notes and the Additional Notes on the Official List of the Exchange, in accordance with the rules and regulations of the Authority.

Clearing Information

The Temporary Notes have been, or will be, accepted for clearance through the facilities of Euroclear and Clearstream. Certain trading information with respect to the Temporary Notes is set forth below.

	ISIN	Common codes
Rule 144A Temporary Global Notes	XS2295693506	229569350
Regulation S Temporary Global Notes	XS2295692441	229569244

The Additional Notes to be issued in exchange for the Temporary Notes have been, or will be, accepted for clearance through the facilities of Euroclear and Clearstream. The Additional Notes issued in exchange for Temporary Notes will be fungible with the Original Notes and have the same ISINs and common codes. Certain trading information with respect to the Additional Notes is set forth below.

	ISIN	Common codes
Rule 144A Global Notes	XS2085861651	208586165
Regulation S Global Notes	XS2085860844	208586084

The Issuer

Assemblin Financing AB (publ) is a registered Swedish public limited liability company (*publikt aktiebolag*) incorporated under the laws of Sweden with registered offices at c/o Assemblin AB, Västberga Allé 1, 126 30 Hägersten, Sweden.

The Guarantors

Assemblin Holding AB, Assemblin AB, Assemblin Sweden AB, Assemblin Holding AS, Assemblin E1 AB, Assemblin VS AB, Assemblin Ventilation AB, Assemblin Installation AB and Assemblin AS.

Approval

The Issuer and the Guarantors have obtained all necessary consents, approvals, authorizations or other orders for the issuance of the Temporary Notes, the Additional Notes, the Notes Guarantees and other documents to be entered into by the Issuer and the Guarantors in connection with the issuance of the Temporary Notes, the Additional Notes. The issuance of the Temporary Notes and the Additional Notes was authorized by the Issuer prior to the Issue Date in accordance with the resolutions validly adopted by the board of directors of the Issuer on the same date.

Significant Change

Except as disclosed in this offering memorandum:

- there has been no material adverse change in our financial position since September 30, 2020; and
- we have not been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts that are material in the context of the issuance of the Temporary Notes and, so far as we are aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

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Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Assemblin Financing AB (publ) corporate registration number 559077-5952

Introduction

We have reviewed the accompanying condensed statement of financial position as at 30 September, 2020 of Assemblin Financing AB (publ), the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended, and notes to the interim financial statements ("the condensed interim financial statements"). The Board of Directors and the Managing Director are responsible for the preparation and presentation of the condensed interim financial statements in accordance with IAS 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them. The financial statements were prepared for the purpose of inclusion in the offering memorandum in respect of an offering by the Company of euro-denominated senior secured notes due 2025. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 30 September, 2020 were not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

Stockholm 21 January 2021

KPMG AB

Helena Arvidsson Ålgne

Authorized Public Accountant

**Unaudited Condensed interim financial statements for the Assemblin Group as of and
for the nine months ended 30 September 2020**

Unaudited Condensed Interim Financial Statements for the Assemblin
Group as of and for the nine months period ended 30 September 2020

Condensed statement of profit or loss and other comprehensive income

Amounts in MSEK	Period ended July-Sept		Period ended Jan-Sept	
	2020	2019	2020	2019
Net revenue	2,168	2,226	7,277	7,122
Cost for production	-1,783	-1,825	-6,018	-5,828
Gross profit	385	402	1,259	1,295
Sales and administrative expenses	-321	-324	-965	-1,026
Share of profit of equity-accounted investees	0	0	0	0
Operating profit	64	78	294	268
Financial income	14	0	20	30
Financial expenses	-65	-30	-167	-89
Net financial items	-51	-30	-146	-59
Profit/loss before tax	13	48	147	209
Tax	-2	-11	-35	-47
Profit for the period	12	37	112	162
Other Comprehensive Income				
<i>Items that will be transferred to profit/loss for the period</i>				
Translation differences for the period in translation of foreign operations	-5	0	-64	21
Changes in fair value of hedge reserve	5	—	-9	—
Tax attributable to items that can be transferred to profit	0	—	10	—
	0	0	-63	21
<i>Items that will not be transferred to profit/loss for the period</i>				
Revaluation of defined-benefit pension plans	-1	-100	38	-100
Tax attributable to items that will not be transferred to profit/loss for the year	0	21	-8	21
	-1	-80	30	-80
Other comprehensive income for the period	-1	-80	-32	-59
Total comprehensive income for the period	11	-43	80	103
Profit for the period				
Attributable to:				
Parent Company owners	12	37	112	162
Total comprehensive income of the year				
Attributable to:				
Parent Company owners	11	-43	80	103

The notes on pages F-8 to F-15 are an integral part of these condensed interim financial statements.

Unaudited Condensed Interim Financial Statements for the Assemblin
Group as of and for the nine months period ended 30 September 2020

Condensed statement of financial position

Amounts in MSEK	30-Sep-2020	31-Dec-2019
Assets		
Goodwill	2,773	2,640
Other intangible assets	17	22
Right-of-use assets	675	693
Property, plant and equipment	87	95
Financial investments	36	34
Long-term receivables	2	3
Deferred tax assets	137	134
Total non-current assets	3,728	3,621
Inventory	63	66
Contract assets	521	441
Tax assets	87	30
Trade receivables	1,252	1,410
Prepaid expenses and accrued income	82	158
Other receivables	128	109
Cash and cash equivalents	507	407
Total current assets	2,642	2,621
Total assets	6,370	6,242
Equity		
Share capital	1	1
Other capital contributions	366	366
Acquisition reserve	-992	-992
Reserves	-53	11
Accumulated deficit	-64	-208
Total equity	-742	-821
Liabilities		
Long-term interest-bearing liabilities	2,586	2,599
Lease liabilities	567	583
Provisions for pensions	690	703
Other provisions	217	172
Deferred tax liabilities	17	13
Other non-current liabilities	—	5
Total non-current liabilities	4,078	4,075
Short-term interest-bearing liabilities	1	1
Lease liabilities	186	193
Trade payables	828	861
Tax liabilities	191	106
Contract liabilities	805	712
Other current liabilities	75	88
Accrued expenses and prepaid income	861	952
Current provision	86	76
Total current liabilities	3,033	2,988
Total liabilities	7,111	7,063
Total equity and liabilities	6,370	6,242

The notes on pages F-8 to F-15 are an integral part of these condensed interim financial statements.

Unaudited Condensed Interim Financial Statements for the Assemblin Group as of and for the nine months period ended 30 September 2020

Condensed statement of changes in equity

(MSEK)	Share capital	Other capital contributions	Acquisition reserve	Other reserves	Accumulated deficit, incl. profit/loss for the year	Total equity
Opening equity, 1 Jan 2019	0	366		5	-167	204
Transition to IFRS 16					-48	-48
Profit for the year					162	162
Other comprehensive income for the year				21	-80	-59
Total comprehensive income for the year ..	<u>0</u>	<u> </u>		<u>21</u>	<u>82</u>	<u>103</u>
Closing equity, 30 Sept 2019	<u>0</u>	<u>366</u>		<u>26</u>	<u>-133</u>	<u>258</u>
Opening equity, 1 Jan 2020	1	366	-992	11	-208	-821
Profit for the year					112	112
Other comprehensive income for the year				-64	32	-32
Total comprehensive income for the year ..	<u>-</u>	<u> </u>	<u> </u>	<u>-64</u>	<u>144</u>	<u>80</u>
Closing equity, 30 Sept 2020	<u>1</u>	<u>366</u>	<u>-992</u>	<u>-53</u>	<u>-64</u>	<u>-742</u>

The notes on pages F-8 to F-15 are an integral part of these condensed interim financial statements.

Unaudited Condensed Interim Financial Statements for the Assemblin
Group as of and for the nine months period ended 30 September 2020

Condensed statement of cash flow

Amounts in MSEK	Period ended July-Sept		Period ended Jan-Sept	
	2020	2019	2020	2019
Operating activities				
Profit/loss before tax	13	48	147	209
Adjustments for items not included in the cash flow	56	72	220	153
Tax paid	-1	0	-17	-26
	<u>68</u>	<u>120</u>	<u>350</u>	<u>337</u>
Increase/decrease in inventory	-2	-2	2	-7
Increase/decrease in operating receivables	50	-102	205	43
Increase/decrease in operating liabilities	-98	-178	-148	-271
Cash flow from operating activities	<u>18</u>	<u>-163</u>	<u>409</u>	<u>102</u>
Investment activities				
Acquisitions of subsidiaries	-135	-6	-152	-103
Acquisitions of intangible fixed assets	-1	-1	-6	-2
Acquisitions of property, plant and equipment	—	-3	—	-10
Disposal of property, plant and equipment	—	4	—	9
Changes in long-term receivables	—	—	—	18
Cash flow from investment activities	<u>-136</u>	<u>-7</u>	<u>-158</u>	<u>-88</u>
Financing activities				
Repayment of loans	-2	0	-2	0
Repayments, leases/finance leases	-50	-41	-137	-125
Cash flow from financing activities	<u>-52</u>	<u>-42</u>	<u>-139</u>	<u>-125</u>
Cash flow from the period	<u>-170</u>	<u>-212</u>	<u>112</u>	<u>-111</u>
Cash and cash equivalents at the beginning of the period	679	518	407	411
Exchange rate differences in cash and cash equivalents	-2	2	-11	8
Cash and cash equivalents at the end of the period	<u>507</u>	<u>308</u>	<u>507</u>	<u>308</u>

The notes on pages F-8 to F-15 are an integral part of these condensed interim financial statements.

Notes

Note 1 Accounting policies

Basis of preparation

These condensed interim financial statements have been prepared for the purpose of inclusion in an offering memorandum, since Assemblin Financing AB (publ) will issue a bond that is planned to be listed on an unregulated market (an International Stock Exchange). The financial statements of Assemblin Group ("the Group") include Assemblin Financing AB (publ) (559077-5952), Assemblin Holding AB (559025-2952) and its subsidiaries.

The condensed interim financial statements for the three and nine months ended 30 September 2019 have been prepared as combined financial statements in a way of illustrating financial information for a group of entities that are not a legal group but are ultimately owned and controlled by the same party. These combined financial statements represent the group of entities that became the Group on 6 December 2019 when the parent company of the Group, Assemblin Financing AB, acquired 100% of the shares in a related company, Assemblin Holding AB, from their parent company, Ignition MidCo S.a.r.l, ("Midco") included in Triton Fund IV since 2015.

Assemblin Holding AB was established on 10 July 2015 and is a holding company with operating subsidiaries. Until 6 December 2019 it operated under the direct control from its parent company, MidCo. Assemblin Financing AB was established on 6 December 2016 and is under the direct control from its parent company, MidCo.

On 6 December 2019, Assemblin Financing AB acquired all shares in Assemblin Holding AB from Midco for SEK 5,081 million. The consideration paid represents the fair value of the acquired net assets and business at the time of the transaction. For the consideration Assemblin Financing AB issued two promissory notes to Midco, one in the amount of SEK 992 million ("Promissory Note 1") and one in the amount of SEK 4,089 million ("Promissory Note 2"). Promissory Note 1 was repaid in full on 6 December 2019. The principal amount under Promissory Note 2 was contributed as equity in Assemblin Financing AB by Midco by way of a shareholder contribution.

When Assemblin Financing AB legally acquired Assemblin Holding AB the net assets in the consolidated financial statements were not revalued resulting in a reduction to equity. This reduction is presented as a merger reserve consisting of a net of the SEK 5,081 million purchase price and Assemblin Financing AB's SEK 0 million equity. Also recognized in the merger reserve is the SEK 4,089 million shareholder contribution from Midco through the forgiveness of Promissory Note 2 in connection with the transaction

The condensed financial statements for the three and nine months ended 30 September 2020 represent the legal Assembling Financing Group which is the same group of entities as in the combined financial statements for the three and nine months ended 30 September 2019. The combined financial statements do not differ from consolidated financial statements based on historical values and predecessor accounting.

Accordingly, the consolidated Group represents a continuation of Assemblin Holdings AB and its subsidiaries' operations. In order to reflect the economics of the restructuring (without change of control or change in operating activities) and provide the users with relevant information, management elected to present, as the 'combined' financial information, the financial information of Assemblin Holdings AB and subsidiaries up until the creation of the accounting group. Therefore, financial statements presented reflect:

- As of 30 September 2020 and 31 December 2019, the consolidated statement of financial position of Assemblin Financing AB.
- For the three and nine months ended on 30 September 2019, the combined statements of profit or loss, comprehensive income, cash flows, changes in equity of Assemblin Holdings AB including its subsidiaries, and the legal entity Assemblin Financing AB.
- For the three and nine months ended on 30 September 2020, the consolidated statements of profit or loss, comprehensive income, cash flows, changes in equity of Assemblin Financing AB.

Unaudited Condensed Interim Financial Statements for the Assemblin Group as of and for the nine months period ended 30 September 2020

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Statement of compliance

The condensed financial statement was prepared in accordance with IAS 34 “Interim financial reporting”. The same accounting policies and bases for calculation have been applied as in the combined financial statements for the years 2019 and 2018 presented in this document.

Restructuring

The nine months ended 30 September 2020 include costs for restructuring. The restructuring costs relate to closure of branches and restructuring of the Stockholm branch including redundancies of personnel SEK 26 million, project-related adjustments of SEK 14 million and income from sale of business in Finland SEK 6 million.

Seasonality

The operating results generally vary from quarter to quarter as a result of changes in general economic conditions and seasonal fluctuations. This means that the results in one quarter are not necessarily indicative of the performance in a future quarter. Fluctuations in net revenue from quarter to quarter can also be attributed to inclement weather and to the main annual holiday period in June, July and August.

COVID-19 Pandemic

The COVID-19 pandemic has affected the operating results this year in addition to the typical seasonal fluctuations in the business. There have been disruptions in installation projects (due to COVID-19 outbreaks at a limited number of construction sites) and services assignments (due to stringent lock-down measures in the second quarter of 2020), to date these have not been significant. The ultimate significance of the impact will be primarily determined by the length of time that such reductions and disruptions continue, which will, in turn, depend on the duration of the COVID-19 pandemic and the impact of measures that might be imposed in response to the pandemic and whether a vaccine or drug can be developed and deployed that allows business operations to return to their pre-pandemic form. There has been no impairment or restructuring charges recognized in the three and nine months ended 30 September 2020 as a direct result of the COVID-19 pandemic.

Unaudited Condensed Interim Financial Statements for the Assemblin Group as of and for the nine months period ended 30 September 2020

Note 2 Operating segments and disaggregated revenue

Jan-Sept (MSEK)	Electricity		Heating & sanitation		Ventilation		Norway		Finland		Total reportable segments		Group-wide		Eliminations & other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue																		
External net revenue*	2,881	2,889	1,886	1,850	1,023	1,074	1,083	904	425	417	7,298	7,134	0	0	-21	-12	7,277	7,122
Internal net revenue	51	45	38	59	-40	-75	0	—	0	0	49	29	—	—	-49	-29	—	—
Net revenue	2,932	2,934	1,924	1,908	983	1,000	1,083	904	425	418	7,347	7,163	0	0	-70	-40	7,277	7,122
Of which servicing	1,359	1,375	681	664	222	198	484	294	136	187	2,882	2,718	—	—	-19	-30	2,862	2,688
Operating costs ¹	-2,756	-2,768	-1,803	-1,797	-927	-950	-1,003	-857	-426	-413	-6,915	-6,785	-1	—	156	121	-6,760	-6,664
Depreciation of property, plant and equipment, and right of use assets	-37	-38	-23	-22	-15	-13	-4	-3	0	0	-79	-76	0	-2	-73	-68	-153	-146
Adjusted operating profit/loss (Adjusted EBITA)	139	128	98	89	41	36	76	44	-1	5	353	302	-1	-2	13	12	365	312
Items affecting comparability including impairment of right of use assets**	-35	-11	-33	-2	20	—	—	-5	—	-3	-48	-21	-3	-10	—	—	-51	-31
EBITA	104	117	65	87	61	36	76	39	-1	2	305	281	-4	-13	13	12	314	280
Amortization of intangible assets																	-20	-10
Operating profit/loss																	294	268
Net financial items																	-146	-59
Profit before tax																	147	209
Tax																	-35	-47
Profit for the period																	112	162

* Revenue in the Electricity, H&S and Ventilation segments add up to net revenue in Sweden.

The company's chief operating decision maker evaluates the segments' results on amounts before and after items affecting comparability.

** The items affecting comparability are included in the line item Sales and administrative expenses in the condensed statement of profit or loss and other comprehensive income. The items affecting comparability primarily relates to acquisition related costs and integration of acquired business, as well as more comprehensive restructuring programs, new establishments that occur on an irregular basis, and impairment of right of use assets to SEK 4 million. See note 8 Alternative Performance Measures for definitions of alternative performance measures and reconciliation of total amounts.

The measure of segment profit or loss reviewed by the chief operating decision maker is segment EBITA. The Group adopted IFRS 16 effective 1 January 2019, however management continues to measure the segments according to IAS 17. The adjustment from the segment amount measured using IAS 17 of SEK 80 million (nine months period ended 30 September 2019: 76) to the amount measured using IFRS 16 of SEK 63 million (nine months period ended 30 September 2019: 66), for the nine months period ended 31 September 2020, is reflected as an adjustment in Eliminations and Other such that the EBITA does reflect the lease expense as required by IFRS 16. The adjustment of SEK 80 million (nine months period ended 30 September 2019: 76) for the nine months period ended 31 September 2020 is included in the caption Operating costs excluding depreciation, amortization, impairment, and items affecting comparability. The adjustment of SEK 63 million (nine months period ended 30 September 2019: 66) for the nine months period ended 31 September 2020 is included in the caption Depreciation of property, plant and equipment and right of use assets.

¹ Excluding amortization, depreciation, impairment and items affecting comparability.

Unaudited Condensed Interim Financial Statements for the Assemblin Group as of and for the nine months period ended 30 September 2020

July-Sept (MSEK)	Electricity		Heating & sanitation		Ventilation		Norway		Finland		Total reportable segments		Group-wide		Eliminations & other		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue																		
External net revenue* . .	828	867	557	598	306	326	358	286	127	154	2,176	2,231	0	0	-8	-5	2,168	2,226
Internal net revenue . . .	12	12	8	19	-4	-24	0	—	0	0	16	7	—	—	-17	-7	—	—
Net revenue	840	878	565	617	302	302	358	286	127	154	2,192	2,237	0	0	-24	-11	2,168	2,226
Of which servicing	396	414	204	227	76	63	160	102	40	72	876	878	0	—	-7	-10	870	868
Operating costs ²	-799	-838	-534	-577	-289	-289	-323	-258	-127	-149	-2,072	-2,111	16	8	58	36	-1,999	-2,067
Depreciation of property, plant and equipment, and, right of use assets	-12	-13	-8	-7	-5	-5	-1	-1	0	-0	-26	-26	0	-1	-29	-19	-55	-46
Adjusted operating profit/loss (Adjusted EBITA)	28	27	23	33	9	8	34	28	0	5	94	101	16	8	5	6	114	114
Items affecting comparability including impairment of right of use assets**	-29	-11	-33	-2	21	—	—	-5	—	-3	-41	-21	-1	-9	—	—	-42	-30
EBITA	1	16	-10	31	29	8	34	22	0	3	53	80	15	-2	5	6	72	84
Amortization of intangible assets																	-8	-4
Operating profit/loss																	64	78
Net financial items																	-51	-30
Profit before tax																	13	48
Tax																	-2	-11
Profit for the period																	12	37

* Revenue in the Electricity, H&S and Ventilation segments add up to net revenue in Sweden.

The company's chief operating decision maker evaluates the segments' results on amounts before and after items affecting comparability.

** The items affecting comparability are included in the line item Sales and administrative expenses in the condensed statement of profit or loss and other comprehensive income. The items affecting comparability primarily relates to acquisition related costs and integration of acquired business, as well as more comprehensive restructuring programs and new establishments that occur on an irregular basis, and impairment of right of use assets to SEK 4 million. See note 8 Alternative performance measures for definitions of alternative performance measures and reconciliation of total amounts.

The measure of segment profit or loss reviewed by the chief operating decision maker is segment EBITA. The Group adopted IFRS 16 effective 1 January 2019, however management continues to measure the segments according to IAS 17. The adjustment from the segment amount measured using IAS 17 of SEK 30 million (three months period ended 30 September 2019: 26) to the amount measured using IFRS 16 of SEK 23 million (three months period ended 30 September 2019: 22), for the three months period ended 31 September 2020, is reflected as an adjustment in Eliminations and Other such that the EBITA does reflect the lease expense as required by IFRS 16. The adjustment of SEK 30 million (three months period ended 30 September 2019: 26) for the three months period ended 31 September 2020 is included in the caption Operating costs excluding depreciation, amortization, impairment, and items affecting comparability. The adjustment of SEK 23 million (three months period ended 30 September 2019: 22) for the three months period ended 31 September 2020 is included in the caption Depreciation of property, plant and equipment and right of use assets.

Revenue per principal income type (MSEK)

	Jan-Sept 2020	July-Sept 2020	Jan-Sept 2019	July-Sept 2019
Group				
Net revenue				
Construction contracts with appurtenant services	4,414	1,298	4,434	1,363
Service assignments	2,862	870	2,688	863
	<u>7,277</u>	<u>2,168</u>	<u>7,122</u>	<u>2,226</u>

² Excluding amortization, depreciation, impairment and items affecting comparability.

Note 3 Business combinations

In the period January-September 2020, Assemblin completed the following acquisitions:

Acquired unit

	Country	Type	Time	Percentage of votes	Employees	Revenue 2019 MSEK
Projekttuppdrag Syd AB	Sweden	Company	January	100%	8	10
Elservice i Åmål AB	Sweden	Assets	April	—	8	8
Örestadskyl AB	Sweden	Company	May	100%	9	23
Botkyrka VVS & Fastighetsservice AB	Sweden	Company	July	100%	16	75
El & Installationsteknik i Stockholm AB ..	Sweden	Company	July	100%	12	30
SDC Stockholm Design & Construction AB	Sweden	Company	July	100%	12	20
Luftkompaniet Sjöholm AB	Sweden	Company	Sept	100%	16	80

Assemblin finalized seven acquisitions in the period from January to September. These acquisitions are not considered to be material, either individually or jointly.

Note 4 Financial instruments

Shares in Elajo, “Financial investments”, are recognized at assessed fair value via other comprehensive income. The valuation of the shares is performed according to level 3, since the valuation is based on non-observable inputs. Fair value as of 30 September 2020 amounts to SEK 30 million and, at the beginning of the year the fair value amounted to SEK 30 million.

The fair value has been calculated on the basis of a profit multiple based on operating profit. The profit multiple is derived based on Assemblin’s experience in acquiring unlisted installation companies. In case the profit multiple and/or operating profit increases, the fair value will also increase.

The amount entered as a liability that could be paid to previous owners is SEK 84 million, falling due for payment within one to three years and classified as Level 3 liabilities. The fair value of contingent considerations is measured based on assumptions about expected future payments based in the expected future earnings in the acquired company. Expected future payments are not discounted as it is assessed that there is no time value based on the fact that it is not considered significant. The estimated fair value would decrease (increase) if the expected future earnings in the acquired company were lower (higher). When calculating the fair value of currency swaps the closing quote from the respective counterparties has been used. The liability is SEK 28 million and classified as a Level 2 liability.

<i>Liability contingent consideration (MSEK)</i>	2019
Opening balance	29
Consideration paid, Värmesvets	-3
Botkyrka, Contingent consideration	60
Exchange rate difference	-2
Closing balance	<u>84</u>

Fair values of the Group’s non-current assets and liabilities do not differ material from carrying amounts.

Note 5 Pensions

The present value of pension obligations was established by an independent actuary based on certain financial assumptions. The assumptions for inflation and future salary growth have decreased since year-end, reducing the liability, while the discount rate has been lowered, thus increasing the liability. As a result, an actuarial loss of SEK 1 million (nine months period ended 30 September 2019: 100) was recognized in other comprehensive income during the interim period and an actuarial gain of SEK 38 million (nine months period ended 30 September 2019: 100) for the nine months period ended 31 September 2020. Relating to this, a deferred tax of SEK 0 million (nine months period ended 30 September 2019: 21) has been recognized in other comprehensive income during the interim period and SEK 8 million (nine months period ended 30 September 2019: 21) for the nine months period ended 31 September 2020. The key assumptions for defined-benefit obligations are presented below:

	30 Sep 2020	30 Sep 2019	31 Dec 2019
Discount rate	1.30%	2.40%	1.40%
Salary increase	1.80%	2.50%	2.20%
Inflation	1.30%	2.00%	1.70%

Note 6 Related party transactions

No transactions that substantially impacted the company's financial position and earnings took place between Assemblin and related parties during the period.

Note 7 Subsequent events

On 8 December 2020, Assemblin entered into a sale and purchase agreement to acquire Fidelix Holding Oy with subsidiaries. The acquisition is subject to approval from the Finnish competition authority and is expected to close in the first quarter of 2021. The company is based in Vanda, Finland, and provides climate smart building automation and management systems. The Fidelix group has 360 employees and annual revenue of SEK 540 million.

In addition to the Fidelix acquisition, the Group has acquired 13 entities after the balance sheet date of 30 September 2020. Individually, these acquisitions are not considered material, however, they are considered to be material in the aggregate. The considerations for the acquisitions are paid in cash and amount to SEK 310 million and are based on the assessed enterprise value subject to adjustment for net debt and working capital. For some of the acquisitions there are also contingent consideration arrangements with a maximum of SEK 80 million. The purchase price allocations are not finalized for the acquisitions.

Unit acquired	Month of acquisition	Unit acquired	Month of acquisition
Mälardalens Fjärrvärme Entreprenad AB	October 2020	J Östling & C. Sparf El AB	December 2020
Essen Rör AB	October 2020	Nor-Klima T. Svendsen AS	January 2021
KK-Kylmäpalvelu Oy	October 2020	EA Installationer AB	January 2021
Salon Kylmäpojat Oy	October 2020	Åby Eltjänst AB	January 2021
Karjalan Kylmäpalvelu Oy	October 2020	TIS Tervell Installation och Service AB ...	January 2021
FBI Fastighet och Butikinstallationer AB	December 2020	Vantec System AB	January 2021
Kalmar VVS- & EL-Montage AB	December 2020		

The impact of the COVID-19 pandemic as described in note 1 is consistent with the impact on the period after 30 September 2020.

No other significant events of a company-specific type occurred after 30 September 2020.

Note 8 Alternative performance measures

This document contains alternative performance measures. These measures describe historical financial performance, but excludes or includes amounts that would not be adjusted for in the most comparable IFRS financial measure. The alternative performance measures are used internally by management, in conjunction with IFRS financial measures, to measure performance and make decisions regarding the future direction of the business. Management believes these alternative performance measures, when provided in combination with reported IFRS results, provide helpful supplementary information for investors. These measures are not a substitute for or superior to, and should be used in conjunction with, reported IFRS financial measures. In addition, the alternative performance measures, as defined by Assemblin, may not be comparable to other similarly titled measures used by other companies. Investors are cautioned not to place undue reliance on these alternative performance measures.

<i>Measure</i>	<i>Definition</i>	<i>Reason for use</i>
EBITA	Profit for the period excluding tax, net financial items, amortization of intangible assets.	EBITA provides an overview of the profitability of the operations.
Adjusted EBITA	EBITA adjusted for items affecting comparability	Adjusted EBITA provides an overview of the profitability of the operations adjusted to increase the comparability over time.
Items affecting comparability and impairment of right of use assets	Revenue and cost items that are reported separately due to their character and amount. The items consist of acquisition related costs and costs for integration of acquired businesses as well as more comprehensive restructuring programs, and new establishments that occur on an irregular basis.	Separate reporting of items affecting comparability increases the comparability of profitability over time.

Reconciliation

<u>MSEK</u>	<u>Jan-Sep 2020</u>	<u>Jan-Sep 2019</u>	<u>July-Sep 2020</u>	<u>July-Sep 2019</u>
Profit for the period	112	162	12	37
Tax	35	47	2	11
Net financial items	146	59	51	30
Operating profit	294	268	64	78
Amortization of intangible assets	20	10	8	4
EBITA	314	280	72	84
Items affecting comparability including impairment of right of use assets	51	31	42	30
Adjusted EBITA	365	312	114	114

Unaudited Condensed Interim Financial Statements for the Assemblin Group as of and for the nine months period ended 30 September 2020

Items affecting comparability including impairment of right of use assets

<u>MSEK</u>	<u>Jan-Sep 2020</u>	<u>Jan-Sep 2019</u>	<u>July-Sep 2020</u>	<u>July-Sep 2019</u>
Acquisition, integration and start-up costs ^(a)	9	10	2	9
Restructuring costs ^(b)	34	16	40	16
Transformation costs ^(c)	—	6	—	5
Other adjustments ^(d)	9	0	1	0
Sum	51	31	42	30

- (a) Comprises (i) costs incurred in connection with certain bolt-on acquisitions, (ii) certain integration costs related to acquisitions and (iii) any net operating loss of newly set-up branches during their first twelve months of operation, during which start-up costs incurs relating to training, tooling and ramp-up of order backlog.

Cost incurred in the period ending 30 September 2020 consist of start up of new branches with SEK 7 million and acquisition cost of SEK 1 million.

Cost incurred in the period ending 30 September 2019 consist of start up of new branches with SEK 8 million and acquisition cost of SEK 1 million.

- (b) Comprises costs relating to closure of branches and restructuring of the Stockholm branches in the period ending 30 September 2020 including redundancies of personnel of SEK 26 million, project related adjustments of SEK 14 million and income from sale of business in Finland of SEK 6 million.
Cost related to the period ending 30 September 2019 consist of both closure of unprofitable branches and redundancy of SEK 12 million and impairment of right-of-use assets relating to vacated premises of SEK 4 million.
- (c) Cost related to the period ending 30 September 2019 consist of costs relating to IPO readiness of SEK 6 million.
- (d) Comprises costs relating to refinancing for the period ending 30 September 2020.



Independent auditor's report

To the board of directors of Assemblin Finacing AB (publ), corporate identity number 559077-5952

Report on the combined accounts

Opinions

We have audited the combined financial statements of Assemblin Finacing AB (publ) (below the "Company" and together with its subsidiaries the "Group") for the period of three years ended 31 December 2019. The combined accounts of the company are included on pages F-18 to F-75 in this document.

In our opinion, the combined accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of the 31 December 2019, 31 December 2018, and 31 December 2017 and their financial performance and cash flow for each of the three financial years ending the 31 December 2019 in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the combined financial statements, which describes their basis of preparation, including the approach to and the purpose for preparing them. The combined financial statements were prepared for the purpose of inclusion in the offering memorandum in respect of an offering by the Company of euro-denominated senior secured notes due 2025. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the combined accounts and that they give a fair presentation in accordance with the Annual Accounts Act and in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of combined accounts that are free from material misstatement, whether due to fraud or error.

In preparing the combined accounts, The Board of Directors and the Managing Director are responsible for the assessment of the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the group, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the combined accounts as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined accounts.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of the group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the combined accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined accounts or, if such disclosures are inadequate, to modify our opinion about the combined accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined accounts, including the disclosures, and whether the combined accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the combined accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm, 21 January 2021

KPMG AB

Helena Arvidsson Ålgne
Authorized Public Accountant

Combined financial statements of Assemblin Group for the financial years 2019, 2018 and 2017

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

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Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

Combined statement of profit or loss and other comprehensive income

		01 Jan 2019	01 Jan 2018	01 Jan 2017
	Note	31 Dec 2019	31 Dec 2018	31 Dec 2017
Net revenue	2, 3	9,978	8,885	8,169
Cost for production		-8,131	-7,186	-6,666
Gross profit		<u>1,848</u>	<u>1,699</u>	<u>1,503</u>
Sales and administrative expenses		-1,595	-1,285	-1,388
Share of profit of equity-accounted investees		—	1	0
Operating profit	3, 4, 5, 6, 7, 8	<u>252</u>	<u>414</u>	<u>115</u>
Financial income		59	7	4
Financial expenses		-179	-201	-146
Net financial items	9	<u>-120</u>	<u>-193</u>	<u>-142</u>
Profit/loss before tax		<u>133</u>	<u>220</u>	<u>-27</u>
Tax	10	<u>-40</u>	<u>-77</u>	<u>50</u>
Profit for the year		<u>92</u>	<u>143</u>	<u>22</u>
Other comprehensive income				
Items that will be transferred to profit/loss for the year				
Translation differences for the year in translation of foreign operations	11	<u>11</u>	<u>11</u>	<u>-11</u>
Changes to fair value of hedge reserve		<u>-6</u>	—	—
Tax attributable to items that will be transferred to profit/loss for the year		<u>1</u>	—	—
		<u>6</u>	<u>11</u>	<u>-11</u>
Items that will not be transferred to profit/loss for the year				
Revaluation of defined-benefit pension plans	8, 11	<u>-111</u>	<u>-49</u>	<u>-2</u>
Tax attributable to items that will not be transferred to profit/loss for the year		<u>23</u>	<u>10</u>	<u>1</u>
		<u>-88</u>	<u>-39</u>	<u>-2</u>
Other comprehensive income for the year		<u>-82</u>	<u>-29</u>	<u>-12</u>
Total comprehensive income for the year		<u>10</u>	<u>114</u>	<u>10</u>
Profit for the year				
Attributable to:				
Parent Company owners		<u>92</u>	<u>143</u>	<u>22</u>
		<u>92</u>	<u>143</u>	<u>22</u>
Total comprehensive income for the year				
Attributable to:				
Parent Company owners		<u>10</u>	<u>114</u>	<u>10</u>
		<u>10</u>	<u>114</u>	<u>10</u>

The notes on pages F-24 to F-75 are an integral part of these combined financial statements.

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

Combined statement of financial position

<u>(MSEK)</u>	<u>Note</u>	<u>31 Dec 2019*</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
Assets	12, 13, 19			
Goodwill	14	2,640	2,411	2,340
Other intangible assets	14	22	9	5
Property, plant and equipment	15	95	402	307
Right-of-use asset	5	693	–	–
Equity-accounted investees		–	1	0
Financial investments	16, 17	34	32	32
Long-term receivables	18, 19	3	2	2
Deferred tax assets	10	134	101	130
Total non-current assets		<u>3,621</u>	<u>2,958</u>	<u>2,816</u>
Inventory		66	41	50
Contract assets	20	441	408	389
Tax assets	10	30	12	2
Trade receivables	21	1,410	1,315	1,214
Prepaid expenses and accrued income	22	158	170	130
Other receivables	18	109	90	100
Cash and cash equivalents		407	411	420
Total current assets		<u>2,621</u>	<u>2,447</u>	<u>2,306</u>
Total assets		<u>6,242</u>	<u>5,405</u>	<u>5,122</u>
Equity	11			
Share capital		1	0	0
Other capital contributions		366	366	366
Merger reserve		-992	–	–
Reserves		11	5	-6
Accumulated deficit		-208	-167	-260
Total equity		<u>-821</u>	<u>204</u>	<u>100</u>
Liabilities	12, 13, 19			
Long-term interest-bearing liabilities	23, 17	2,599	1,911	2,028
Lease liabilities	5	583	–	–
Provisions for pensions	8	703	560	483
Other provisions	24	172	138	160
Deferred tax liabilities	10	13	4	12
Other non-current liabilities		5	–	–
Total non-current liabilities		<u>4,075</u>	<u>2,613</u>	<u>2,683</u>
Short-term interest-bearing liabilities	23, 17	1	81	112
Lease liabilities	5	193		
Trade payables	17	861	835	665
Tax liabilities	10	106	60	53
Contract liabilities	25	712	638	529
Other current liabilities	26	88	81	82
Accrued expenses and prepaid income	27	952	845	799
Current provision	24	76	49	99
Total current liabilities		<u>2,988</u>	<u>2,588</u>	<u>2,339</u>
Total liabilities		<u>7,063</u>	<u>5,201</u>	<u>5,022</u>
Total equity and liabilities		<u>6,242</u>	<u>5,405</u>	<u>5,122</u>

* The combined statement of financial position does not differ from consolidated statement of financial position as of 31 December 2019, refer to Note 1.

The notes on pages F-24 to F-75 are an integral part of these combined financial statements.

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

Combined statement of changes in equity

<u>(MSEK)</u>	<u>Share capital</u>	<u>Other capital contributions</u>	<u>Merger reserve</u>	<u>Other reserves</u>	<u>Accumulated deficit, incl. profit/loss for the year</u>	<u>Total equity</u>
Opening equity, 1 Jan 2017	0	366	–	5	-280	90
Profit for the year					22	22
Other comprehensive income for the year ...				-11	-2	-12
<i>Total comprehensive income for the year ...</i>				-11	21	10
Closing equity, 31 Dec 2017	<u>0</u>	<u>366</u>	<u>–</u>	<u>-6</u>	<u>-260</u>	<u>100</u>
Opening equity, 1 Jan 2018	<u>0</u>	<u>366</u>	<u>–</u>	<u>-6</u>	<u>-260</u>	<u>100</u>
Dividend					-12	-12
Profit for the year					143	143
Other comprehensive income for the year ...				11	-39	-29
<i>Total comprehensive income for the year ...</i>				11	104	114
Closing equity, 31 Dec 2018	<u>0</u>	<u>366</u>	<u>–</u>	<u>5</u>	<u>-167</u>	<u>204</u>
Opening equity, 1 Jan 2019	<u>0</u>	<u>366</u>	<u>–</u>	<u>5</u>	<u>-167</u>	<u>204</u>
Transition to IFRS 16, net of tax					-45	-45
Adjusted equity, 1 Jan 2019	0	366		5	-213	158
Profit for the year					92	92
Other comprehensive income for the year ...				6	-88	-82
<i>Total comprehensive income for the year ...</i>				6	4	10
Transactions with Group owners:						
Consideration for shares in Assemblin						
Holding AB*			-5,081			-5,081
Shareholder contribution*			4,089			4,089
New share issue	<u>1</u>					<u>1</u>
Closing equity, 31 Dec 2019	<u>1</u>	<u>366</u>	<u>-992</u>	<u>11</u>	<u>-208</u>	<u>-821</u>

* The combination where Assemblin Financing AB legally acquired Assemblin Holding AB group on 6 December 2019 was a common control transaction as both entities were owned and controlled by Ignition MidCo S.a.r.l. As a result, the net assets in the consolidated financial statements of the acquisition were not revalued resulting in a reduction to equity. This reduction is presented as a merger reserve consisting of a net of the SEK 5,081 million purchase price and Assemblin Financing AB's SEK 0 million equity. Also recognized in the merger reserve is the SEK 4,089 million shareholder contribution from Midco through the forgiveness of Promissory Note 2 in connection with the transaction. Refer to Note 1, Basis for preparation.

For additional information on equity, refer to Note 11.

The notes on pages F-24 to F-75 are an integral part of these combined financial statements.

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

Combined statement of cash flow

(MSEK)	Note	01 Jan 2019	01 Jan 2018	01 Jan 2017
		31 Dec 2019	31 Dec 2018	31 Dec 2017
Operating activities				
Profit/loss before tax		133	220	-27
Adjustments for items not included in the cash flow	28	484	228	263
Tax paid		-12	-48	-4
		<u>605</u>	<u>400</u>	<u>232</u>
Increase/decrease in inventory		-9	11	-8
Increase/decrease in operating receivables		-47	-90	269
Increase/decrease in operating liabilities		-65	195	-401
Cash flow from operating activities		<u>485</u>	<u>516</u>	<u>92</u>
Investment activities				
Acquisitions of subsidiaries, net of cash acquired	12	-211	-63	-11
Disposal of subsidiaries		0	-	0
Acquisitions of intangible assets	14	-2	0	-8
Acquisitions of property, plant and equipment	15	-14	-41	-14
Disposal of property, plant and equipment		13	15	27
Dividend received		19	2	1
Changes in long term receivables		-1	-1	4
Cash flow from investment activities		<u>-197</u>	<u>-88</u>	<u>-2</u>
Financing activities				
New share issue		0	-	-
Loans raised	23	2,591	1,700	-
Repayment of loans	23	-2,717	-2,033	-28
Repayment of lease liabilities (2018 and 2017: finance leases)		-170	-97	-63
Dividend paid		-	-12	-
Cash flow from financing activities		<u>-297</u>	<u>-442</u>	<u>-92</u>
Cash flow for the period		-8	-14	-2
Cash and cash equivalents at start of year		411	420	424
Exchange rate difference in cash and cash equivalents		4	5	-2
Cash and cash equivalents at end of year		<u>407</u>	<u>411</u>	<u>420</u>

The notes on pages F-24 to F-75 are an integral part of these combined financial statements.

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

Note 1 – Significant accounting policies

Basis for preparation

These combined financial statements have been prepared for the purpose of inclusion in an offering memorandum, since Assemblin Financing AB (publ) will issue a bond that is planned to be listed on an unregulated market (an International Stock Exchange). The financial statements of Assemblin Group (“the Group”) include Assemblin Financing AB (publ) (559077-5952), Assemblin Holding AB (559025-2952) and its subsidiaries.

The financial statements have been prepared as combined financial statements in a way of illustrating financial information for a group of entities that are not a legal group but are ultimately owned by the same party. These combined financial statements represent the group of entities that became the Group on 6 December 2019 when the parent company of the Group, Assemblin Financing AB, acquired 100% of the shares in a related company, Assemblin Holding AB, from their parent company, Ignition MidCo S.a.r.l, (“Midco”) included in Triton Fund IV since 2015.

There are no standards applicable under International Financial Reporting Standards (“IFRS”) for combined financial statements. The combined financial statements have been prepared using the historical IFRS financial information included in the Group without any remeasurements of the previously recorded IFRS values. The term “combined financial statements” refers to financial information prepared by aggregating financial information for entities under common control that do not meet the definition of a group according to IFRS 10. All intra-group transactions between legal entities within the reporting entity have been eliminated. As a result, the combined financial statements represent the economic activities of the reporting entity that was formed on 6 December 2019. A complete register of the entities that constitute the Group is presented in the combined financial statements, see Note 29.

Assemblin Holding AB was established on 10 July 2015 and is a holding company with operating subsidiaries. Until 6 December 2019 it operated under the direct control from its parent company, MidCo. Assemblin Financing AB was established on 6 December 2016 and is under the direct control from its parent company, MidCo.

On 6 December 2019, Assemblin Financing AB acquired all shares in Assemblin Holding AB from Midco for SEK 5,081 million. The consideration paid represents the fair value of the acquired net assets and business at the time of the transaction. For the consideration Assemblin Financing AB issued two promissory notes to Midco, one in the amount of SEK 992 million (“Promissory Note 1”) and one in the amount of SEK 4,089 million (“Promissory Note 2”). Promissory Note 1 was repaid in full on 6 December 2019. The principal amount under Promissory Note 2 was contributed as equity in Assemblin Financing AB by Midco by way of a shareholder contribution.

When Assemblin Financing AB legally acquired Assemblin Holding AB the net assets in the consolidated financial statements were not revalued resulting in a reduction to equity. This reduction is presented as a merger reserve consisting of a net of the SEK 5,081 million purchase price and Assemblin Financing AB’s SEK 0 million equity. Also recognized in the merger reserve is the SEK 4,089 million shareholder contribution from Midco through the forgiveness of Promissory Note 2 in connection with the transaction.

The combined financial statements do not differ from consolidated financial statements from 6 December 2019 based on historical values and predecessor accounting.

Accordingly, the consolidated Group represents a continuation of Assemblin Holdings AB and its subsidiaries’ operations. In order to reflect the economics of the restructuring (without change of control or change in operating activities) and provide the users with relevant information, management elected to present, as the ‘combined’ financial information, the financial information of Assemblin Holdings AB and subsidiaries up until the creation of the accounting group. Therefore, the combined financial statements presented reflect:

- As of 31 December 2017 and 2018, the combined statements of financial position of Assemblin Holdings AB including its subsidiaries and the legal entity Assemblin Financing AB.
- As of 31 December 2019, the consolidated statement of financial position of Assemblin Financing AB.

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

- For the years ended on 31 December 2017 and 2018, the combined statements of profit or loss, comprehensive income, cash flows, changes in equity of Assemblin Holdings AB including its subsidiaries, and the legal entity Assemblin Financing AB.
- For the year ended on 31 December 2019:
 - (i) combined statements of profit or loss, comprehensive income, cash flows, changes in equity of Assemblin Holdings AB including its subsidiaries, and the legal entity Assemblin Financing AB for the period of 1 January 2019 to 5 December 2019, inclusive; and
 - (ii) consolidated statements of profit or loss, comprehensive income, cash flows, changes in equity of Assemblin Financing AB for the period of 6 December 2019 to 31 December 2019.

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

Statement of compliance

The combined financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU. Further, the Swedish Financial Reporting Board's recommendation, RFR 1 Supplementary Accounting Rules for Corporate Groups, has been applied.

The combined financial statements were approved for issue by the Board of Directors on 19 January 2021.

Unless otherwise indicated, the amounts in the report are in SEK million rounded to the nearest million, which may result in rounding difference.

Measurement policies used when preparing the financial statements

Assets and liabilities are recognized at historical cost, except for certain financial assets and liabilities that are measured at fair value. Financial assets and liabilities measured at fair value consist of unlisted shares and participations, as well as derivatives. A defined-benefit pension liability or asset is recognized at the net of fair value of plan assets and the present value of the defined-benefit liability, adjusted for any asset ceilings.

Functional currency and reporting currency

The parent company's functional currency is the Swedish krona, which also constitutes the reporting currency for the Group. This means that the combined financial statements are presented in Swedish kronor. All amounts are rounded to the nearest million, unless otherwise indicated.

Judgements and estimates in the financial statements

Preparing the financial statements in accordance with IFRS requires company management to make judgements and estimates, and make assumptions that affect the application of the accounting policies and the recognized amounts for assets, liabilities, revenue and costs. Actual outcomes may deviate from these estimates and judgements.

The estimates and assumptions are reviewed on a regular basis. Changes to estimates are recognized in the period the change is made, if the change only affected that period, or in the period the change is made and future periods if the change affects both the period in question and future periods.

Judgements made by company management when applying IFRS that have significant impact on the financial statements, and estimates made that could entail significant adjustments in the financial statements for the following year, are described in more detail in Note 30.

Changes in accounting policies attributable to new or amended IFRS

The Group applies IFRS 16 from 1 January 2019. Other amendments of IFRS, applied from 1 January 2019, have had no material effect on the Group's accounting.

IFRS 16

As of 1 January 2019, Assemblin adopted IFRS 16 Leases. This reporting standard replaces IAS 17 Leases. The Group has selected the modified retrospective approach as the transition method, which means that the comparison figures for 2018, 2017 and earlier periods are not restated, and that the difference between right-of-use assets and lease liabilities are recognized in equity adjusted for pre-paid lease expenses and reserves for onerous contracts as at 1 January 2019. The effects of IFRS 16 are recognized at the Group level. The Group recognizes a right-of-use asset and a lease liability on the commencement date of a lease. The right-of-use asset is initially measured at cost, which consists of the original value of the lease liability plus lease expenses paid on or before the commencement date and any initial direct expenses. The right-of-use asset is thereafter depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset and the end of the lease term.

The lease liability is initially measured at the present value of the future lease expenses over the term of the lease that have not been paid on the commencement date. The lease expenses are discounted with the incremental borrowing rate or implicit interest rate of the lease. The term of the lease comprises the non-cancellable period, with the addition of further periods in the contract if, on the commencement date, it is deemed reasonably certain that these will be exercised

The lease liability is measured at amortized cost using the effective rate method. The lease liability is remeasured if the future lease expenses change as the result of such factors as changes to an index or price. When the lease liability is remeasured this way, an equivalent adjustment is made to the carrying amount of the right-of-use asset.

Leases where the Group is lessee

Previously, the Group determined whether an agreement contained a lease in accordance with IFRIC 4 Determining Whether an Arrangement Contains a Lease. As of 1 January 2019, the Group determines whether an agreement contains a lease based on the definition of leases in IFRS 16.

At the transition to IFRS 16, the Group chose to apply the relief rule of “inheriting” the previous definition of leasing in conjunction with the transition. This means that IFRS 16 is applied to agreements that were previously identified as leases, and that IFRS 16 is not applied to agreements that previously were deemed not to contain leases. Consequently, the definition of leases under IFRS 16 is applied only the agreements that were amended or signed after 1 January 2019.

Previously, the Group classified leases as operating or finance leases based on whether the lease transferred the risks and rewards of ownership of the underlying asset. In accordance with IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases (i.e. the lease is included in the statement of financial position); exemptions from this are indicated below.

Leases previously classified as operating leases under IAS 17

At the transition, the lease liabilities were measured at the present value of the remaining lease expenses, discounted by the Group’s incremental borrowing rates on the initial date of application (1 January 2019). Each right-of-use asset was measured at an amount corresponding to the lease liability, adjusted for any prepaid or accrued lease expenses and reserves for onerous contracts.

The Group has chosen to apply the following solutions in practice:

- Applied a discount rate based on the Group’s financing expenses on various maturities.
- Adjusted the right-of-use asset by an amount recognized as a provision for operating leases that constituted onerous leases, immediately before the first date of application, as an alternative to performing an impairment review.
- Right-of-use assets and lease liabilities have not been recognized for leases for which the lease term finishes within 12 months or earlier (short-term leases).
- Excluded initial direct payments from the measurement of right-of-use assets on the initial date of application.

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

Effect on the financial statements

At the transition to IFRS 16, the Group recognized right-of-use assets of SEK 723 million and lease liabilities of SEK 760 million, of which SEK 80 million are short-term lease liabilities. The difference between assets and liabilities is due to the reclassification of pre-paid lease expenses, and moreover, rights of use being recognized based on IFRS 16 having been applied since the start of the agreement as well as the right-of-use assets being reduced by reserves for onerous leases recognized in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately prior to the transition to IFRS 16 on 31 December 2018.

When measuring the lease liability, the Group discounted its lease expenses at the incremental borrowing rate at 1 January 2019. The interest rate used in discounting future flows lies between 1.7 and 4.8 per cent, depending on the tenor of the contract. Previous financial leases have been reclassified from Property, plant and equipment to Right-of-use assets. The right-of use assets recognized are attributable to the following types of assets:

<u>(MSEK)</u>	<u>2019</u>
Leased premises	408
Vehicles	315
Total right-of-use assets	<u>723</u>

Transition effects on assets, liabilities and equity as of 1 January 2019:

<u>(MSEK)</u>	<u>Closing balance 31 Dec 2018 before the transition to IFRS 16</u>	<u>Estimated reclassifications as a result of the transition to IFRS 16</u>	<u>Estimated adjustments as a result of the transition to IFRS 16</u>	<u>Estimated adjusted opening balance 1 Jan 2019</u>
Fixed assets	2,982	-291		2,691
Right-of-use assets		291	432	723
Deferred tax assets			12	12
Current assets	2,447		-20	2,427
Total assets	<u>5,429</u>	<u>0</u>	<u>425</u>	<u>5,853</u>
Equity	238		-45	193
Non-current liabilities	2,626	-210		2,416
Lease liabilities		210	470	680
Current liabilities	2,564	-80		2,484
Lease liabilities		80		80
Total liabilities	<u>5,191</u>	<u>0</u>	<u>470</u>	<u>5,661</u>
Total equity and liabilities	<u>5,429</u>	<u>0</u>	<u>425</u>	<u>5,853</u>

Classification

Fixed assets and long-term liabilities essentially consist of amounts that are expected to be recovered or settled more than twelve months after the balance sheet date. Current assets and short-term liabilities essentially consist of amounts that are expected to be recovered or settled within twelve months of the balance sheet date.

Operating segment reporting

An operating segment is part of the Group that conducts operations from which it can generate revenue and incur costs, and for which independent financial information is available. Earnings from an operating segment are further monitored by the company's chief operating decision maker to evaluate results and to allocate resources to the operating segment. Refer to Note 3 for additional descriptions of the divisions, and the presentation of the operating segments.

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

Consolidation principles and business combinations

Subsidiaries are companies that are subject to a controlling interest from the Parent Company. A controlling interest exists if the Parent Company has influence over the investment object, is exposed to or has the right to a variable yield from its involvement and can use its influence over the investment to affect the yield. In determining whether controlling influence exists, shares that are potentially entitled to vote — and whether de facto control exists — are taken into account.

Subsidiaries are recognized using the acquisition method, which involves the acquisition of a subsidiary being regarded as a transaction through which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities. The acquisition analysis establishes the fair value, on the acquisition date, of identifiable assets acquired and liabilities assumed, as well as any holdings with a non-controlling interest. Transaction expenditures that arise, except transaction expenditures attributable to the issue of equity instruments or debt instruments, are recognized directly in profit or loss for the year.

In the event of business combinations in which transferred remuneration, any holdings with a non-controlling interest and the fair value of previously owned participations (in conjunction with step acquisitions) exceed the value of assets acquired and liabilities assumed that are recognized separately, the difference is recognized as goodwill. When the difference is negative (bargain purchase), this is recognized directly in profit or loss for the year. Transferred remuneration in connection with the acquisition does not include payments relating to settlement of previous business relationships. These types of settlement are usually recognized in earnings.

Contingent considerations are recognized at fair value at the acquisition date. In cases where the contingent consideration is classified as an equity instrument, no restatement is performed, and settlement is made within equity. Other contingent considerations are restated at every reporting date, and the change is recognized in profit or loss for the year.

Transactions eliminated in consolidation

Intra-Group receivables and liabilities, revenue or costs and unrealized profit or loss that arise from intra-Group transactions among Group companies are eliminated entirely in preparing the combined financial statements. Unrealized profits arising from transactions with joint ventures are eliminated to the extent corresponding to the Group's ownership share in the company. Unrealized losses are eliminated in the same manner as unrealized profits, but only to the extent there is no need for impairment.

Joint ventures

In the accounts, joint ventures are those companies for which the Group, through partnership agreements with one or more parties, has a joint controlling interest in which the Group has the right to net assets instead of a direct right to assets and commitments in liabilities. Holdings in joint ventures are consolidated in the combined financial statements in accordance with the equity method and are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the combined financial statements include the Group's share of the profit or loss and other comprehensive income of the joint venture, until the joint control ceases. The equity method is applied from the date that joint controlling interest was obtained, up until the point when the joint controlling interest is dissolved.

Equity method

The equity method means that in the Group, the carrying amount of the shares in joint ventures corresponds to the Group's share of equity in joint ventures. The Group's share in joint ventures is recognized in profit or loss.

These shares of profits constitute the primary change in the carrying amount of shares in joint ventures. Transaction expenditures that arise, except transaction expenditures attributable to the issue of equity instruments or debt instruments, are included in cost.

Combined financial statements of Assemblin Group for financial years 2019, 2018 and 2017

Foreign currency

Transactions in foreign currency

Transactions in foreign currency are restated in the functional currency at the exchange rate in effect on the transaction date. Functional currency is the currency in the primary financial environments where the companies conduct their operations. Monetary assets and liabilities in foreign currency are restated in the functional currency at the exchange rate in effect on the balance-sheet date. Exchange rate differences arising in the restatements are recognized in profit or loss for the year. Non-monetary assets and liabilities recognized at historical cost are restated at the exchange rate on the transaction date. Non-monetary assets and liabilities recognized at fair value are restated in the functional currency at the exchange rate in effect on the date of measurement at fair value.

Financial reports from operations abroad

Assets and liabilities in operations abroad, including goodwill and other Group-related surpluses and deficits, are restated from the functional currency of the operations abroad in the Group's reporting currency at the exchange rate in effect on the balance-sheet date. Revenue and expenses in operations abroad are restated in Swedish kronor at an average rate that constituted an approximation of the exchange rates that were in effect on the respective transaction dates. Translation differences arising in connection with currency restatements are recognized in other comprehensive income, and are accumulated in a separate component in equity, designated as translation reserves. In the event the operations abroad are not wholly owned, the translation difference is allocated to holdings with a non-controlling interest based on its proportional ownership share. When controlling interest, significant interest or joint controlling interest for operations abroad are dissolved, the accumulated translation differences attributable to the operations are realized, at which point they are reclassified from the translation reserves in equity to profit or loss for the year. In the event a sale occurs but controlling interest remains, a proportional share of accumulated translation differences from the translation reserve is transferred to holdings with a non-controlling interest. In the event of a sale of portions of joint ventures where joint controlling interest remains, a proportional share of the translation differences is reclassified to profit or loss for the year.

Revenue

Policy applicable from 1 January 2018

Revenue is recognized in earnings when control over goods and services is transferred to the customer. The company's revenue consists primarily of revenue from construction contracts and service assignments. This revenue is recognized over time; it is described below under Construction contracts and Service assignments. Interest income is recognized in revenue over the duration in the contract, with application of the effective rate method. Dividend revenue is recognized when the right to receive payment has been established.

The operations are divided into three areas: electricity, ventilation, and heating and sanitation. In all the areas of operation, the revenue streams consist of revenue from construction contracts and service assignments, respectively.

Construction contracts

In regards to the construction contracts, they are fixed price and revenue from ongoing contracts is recognized over time on the basis of assignment expenditures incurred in relation to the total estimated assignment fees of the assignment. Costs associated with this are recognized in earnings as they arise. In the statement of financial position, contract assignments are recognized gross project by project, either as a contract asset among current assets or as a contract liability among current liabilities. The projects with higher levels of generated revenue than has been invoiced are recognized as assets, whereas the projects that have been invoiced for more than revenue generated are recognized as liabilities. Revenue is based on a contractual fixed price; the remuneration amount is variable only in exceptional cases.

Payment is usually received in stages while the construction contracts is being completed; payment is normally received before the stage is begun. In a number of construction contracts, however, payment is received after the stage is completed.

Changes in the scope of the assignment, claims and incentive remuneration are included in project revenue to the extent that they are agreed upon with the customer and can be reliably measured.

A fundamental condition for reporting revenue over time is that the course of events can reasonably be measured against completion of the performance obligation. For projects in which the outcome of a performance obligation cannot reasonably be measured, but coverage is expected for the expenditures that arise from completing the performance obligation, only revenue for expenditures incurred up until the result of the performance obligation can reasonably be measured is reported.

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The Group reports as assets (balance-sheet item Contract assets) from clients in construction contracts for which project costs and recognized profits (less recognized losses) exceed the invoiced amounts. Partially invoiced amounts that have not yet been settled by the customer, and amounts held by the client are included in Trade receivables. The Group reports as liabilities (balance-sheet item Contract liabilities) all liabilities to clients in ongoing construction contracts for which invoiced amounts exceed project costs and recognized profits (less recognized losses).

Service assignments

In regards to service assignments, revenue and the appurtenant costs are recognized over time (i.e. in pace with the service being provided to the customer). Measurement of the course of events is established on the basis of assignment expenditures incurred in relation to the total estimated assignment expenditures. A number of service assignments are charged by the hour on open account; in such cases, the customer normally receives the services provided on an hour-by-hour basis. In other service assignments, payment is normally received after the assignment is completed.

Policy applicable before 1 January 2018

Revenue is recognized in profit or loss when the amount of revenue can be measured reliably, and it is probable that the economic benefits associated with the transaction will flow to the entity. Revenue is recognized according to the percentage of completion method.

Construction contracts

The group applies the percentage of completion method. Under the percentage of completion method, profit or loss is recognized in proportion to the stage of completion. To determine the profit or loss incurred at a given point in time, information about the following components is needed:

- Project revenue – the aggregated value of revenue attributable to the construction contract.
- Project cost all costs relating to project revenue which are attributable to the individual project.
- Stage of completion – recognized costs in relation to estimated total costs of the project.

A basic condition for the percentage of completion method is that project revenue and project cost can be measured reliably, and that the stage of completion must be determined in a way that is relevant with respect to the requirement of reliability.

A zero-profit margin is used for projects where revenue and costs cannot be measured reliably. This means that the project is recognized with an income that corresponds to the incurred cost, i.e. profit is recognized to SEK 0 pending an assessment of profit. As soon as possible, revenue is recognized according to the percentage of completion method.

As an asset, the Group recognizes receivables (balance sheet item: Revenue generated but uninvoiced) from customers for construction contracts where project costs and recognized profits (after deductions for recognized losses) exceed the invoiced amounts. Partly invoiced amounts that have not yet been paid by the customer and amounts withheld by the customer are included in the item Accounts receivable. As a liability (Revenue invoiced but not generated), the Group recognizes all liabilities to customers in construction contracts for ongoing assignments where invoiced amounts exceed project costs and recognized profits (after deductions for recognized losses).

Financial income and expenses

Financial income consists of interest income on invested funds, dividend income, and gains on changes in value of financial assets measured at fair value through profit or loss.

Dividend income is recognized when the right to receive dividends has been established.

Financial expenses consist of interest charged on loans, and the effect of unwinding the present value of provisions.

Foreign exchange gains and foreign exchange losses are recognized net.

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Tax

Income tax consists of current tax and deferred tax. Income tax is recognized in profit or loss for the year, except when underlying transactions were recognized in other comprehensive income or in equity, whereupon the appurtenant tax effect is recognized in other comprehensive income or in equity.

Current tax is tax that is to be paid or received in regards to the current year, with application of the tax rates determined in fact or in practice on the balance sheet date. Adjustment of current tax attributable to earlier periods also belongs to current tax.

Deferred tax is calculated using the balance-sheet method, starting from temporary differences between the recognized and taxable values of assets and liabilities. Temporary differences are not taken into account in Group goodwill, or for differences that arose during the initial recognition of assets and liabilities that are not business combinations, and that at the transaction date do not impact either recognized or taxable earnings. Moreover, temporary differences attributable to participation in subsidiaries and joint ventures that are not expected to be cancelled within the foreseeable future are not taken into account. Measurement of deferred tax is based on how the underlying assets or liabilities are expected to be realized or settled. Deferred tax is calculated using application of the tax rates and tax regulations determined in fact or in practice on the balance-sheet date.

Deferred tax assets regarding deductible temporary differences and tax loss carry-forwards are only recognized to the extent it is likely they will be utilized. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilized.

Any future income tax that arises in connection with a dividend is reported on the same date as when the dividend is recognized as a liability.

Financial assets and financial liabilities: Financial instruments

Measurement at initial recognition

Financial instruments are initially recognized at fair value with the addition of or less transaction expenditures except those regarding instruments that are measured on an ongoing basis at fair value through profit or loss, for which transaction expenditures are instead expensed as they arise. Trade receivables (without a significant finance component) are initially measured at the transaction price established under IFRS 15.

Classification and subsequent measurement of financial assets

All of the Group's financial assets, except for holdings of shares and participations and derivatives, are measured at amortized cost. This is because they are held as part of a business model whose goal is to obtain the contractual cash flows, while the cash flows from assets consist only of payments of principal and interest.

The Group's holding of shares and participations is measured at fair value through other comprehensive income.

Classification and subsequent measurement of financial liabilities

All financial liabilities except derivatives are recognized at amortized cost. Any difference between the amount received (net after transaction costs) and the repayment amount recognized in profit or loss, is allocated over the period of the loan using the effective interest-rate method. Financial liabilities are classified as current liabilities if the Group does not have an unconditional right to defer payment of the liability for at least twelve months after the balance-sheet date.

Derivatives with a negative fair value for Assemblin are recognized as derivative liabilities and measured at fair value through profit or loss, since hedge accounting is not applied.

Hedge accounting of derivatives, and hedge accounting

The Group holds derivatives to hedge its foreign currency. Derivatives are initially measured at fair value. After initial recognition, derivatives are measured at fair value.

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The Group identifies certain derivatives as hedge instruments to ensure variability in the cash flow associated with highly likely transactions arising from changes in foreign currency exchange rates.

New accounting principles for 2020 and going forward

The group applies, from 1 January 2020, the simplified standards that IASB has published concerning hedge accounting, where the underlying basis interest rates can be affected by the IBOR reform. In accordance with the additions to IFRS 9, the presumption is that the EURIBOR based payments made on the currency interest swap as well as on the senior secured notes are unchanged during the duration of the hedge and the group therefore can continue to apply hedge accounting (IFRS 9.6.8.4 – 6.8.6) .

Cash flow hedges

When a derivative is identified as a cash flow hedging instrument, the effective portion of the changes in fair value in the derivative is recognized in other comprehensive income and accumulates in the hedge reserve. The effective portion of the changes in fair value in the derivative recognized in other comprehensive income is limited to the cumulative change in fair value in the hedged item, determined on a percentage basis, from the start of the hedge. Ineffective portions of changes in fair value in the derivative are recognized immediately in earnings.

For the hedged forecast transactions, the accumulated amount in the hedge reserve is reclassified to earnings in the same period(s) that the hedged anticipated cash flow impacts earnings.

If the hedged cash flow is no longer expected to arise, the amount that has accumulated in the hedge reserve is immediately reclassified to earnings.

Classification of financial instruments prior to 1 January 2018

Prior to the introduction of IFRS 9 on 1 January 2018, the Group's holdings of financial assets such as Loans and receivables or Financial assets/liabilities were measured at fair value through profit or loss and Available-for-sale financial assets under IAS 39. All financial liabilities were classified as other liabilities and measured at amortized cost. For more information, refer to Note 19.

De-recognition of financial assets and financial liabilities

A financial asset is derecognized from the statement of financial position when the contractual rights to the cash flow from the financial asset expire, or if Assemblin transfers the right to receive the contractual cash flows through a transaction in which essentially all risks and benefits are transferred to the counterparty.

The Group derecognizes a financial liability from the statement of financial position when the commitments indicated in the agreement have been extinguished, annulled, or expire. The Group also derecognizes a financial liability when the terms of the contract are modified and the cash flows from the modified liability are materially different. In this case, a new financial liability is recognized at fair value based on the modified conditions.

Off-setting

A financial asset and a financial liability are offset and recognized with a net amount in the statement of financial position only when there exists a legal right to offset the amount, and there is an intent to settle the items with a net amount or to simultaneously realize the asset and settle the liability.

Property, plant and equipment

Property, plant and equipment are recognized in the Group at cost less accumulated depreciation and any impairment. The cost includes the purchase price and expenditures directly attributable to the asset for bringing it on site and in usable condition in accordance with the purpose for which it was procured. Borrowing costs directly attributable to purchase, construction or production of assets that takes a significant amount of time to complete for their intended use or for sale are included in the cost. Accounting policies for impairment are shown below.

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Leased assets

Policy applicable from 1 January 2019

In accordance with the above, the Group has amended its accounting policies for leases in the cases where the Group is lessee. The process of change is described under Amended accounting policies attributable to new or amended IFRS.

As of 1 January 2020, the Group leases primarily premises and vehicles. Leases are recognized as rights of use and a corresponding liability as of the date the leased asset is available for use by the Group. Lease liabilities are initially recognized at the present value of remaining lease expenses over the term of the lease. Lease expenses include fixed expenses and variable lease payments that depend on an index or a rate. The lease term consists of the non-cancellable period of the agreement. Lease payments have been discounted by the incremental borrowing rate as regards leased premises, and by the implicit interest rate as regards vehicles.

When an agreement is signed, the Group judges whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Similarly, the value of the liability and the asset are adjusted in conjunction with a reassessment of the lease term. This occurs in conjunction with the passing of the final cancellation date in a previously assessed lease term, or alternately when significant events take place or when circumstances have changed significantly within the control of the Group and impact the existing assessment of the lease term.

The Group is exposed to any future increases of variable lease payments that depend on an index or a rate that are not included in the lease liability before they enter force. When adjustments of lease payments that depend on an index or a rate enter force, the lease liability is restated against the right-of-use asset.

Lease payments are divided between amortization of the liability and interest. The interest is recognized in profit or loss over the term of the lease. Rights of use are normally depreciated on a straight-line basis over the shorter of the useful life and the lease term. Payments for agreements of less than one year and low-value leases are expensed on a straight-line basis in the balance sheet.

Policy applicable before 1 January 2019

Leases are classified either as finance leases or operating leases. Finance leases exist where the financial risks and benefits associated with ownership are essentially transferred to the lessee. If this is not the case, it is an operating lease.

Assets leased under finance leases are recognized as non-current assets in the statement of financial position, and are initially measured at the lower of the lease object's fair value and the present value of the minimal lease expenditures when the contract was signed. The obligation to pay future lease expenses is recognized as long-term and current liabilities. The leased assets are depreciated over the useful lives of the respective assets, whereas lease payments are recognized as interest and repayment of the liabilities.

As a rule, assets leased under operating leases are not recognized as assets in the statement of financial position, nor do operating leases give rise to a liability.

Subsequent expenditures

Subsequent expenditures are added to the cost only if it is likely that the future financial advantages associated with the asset will accrue to the company and if the cost can be reliably calculated. All other subsequent expenditures are recognized as costs in the period they arise. A subsequent expenditure is added to the cost if the expenditure relates to the replacement of identified components or parts thereof. Even in cases where new components are created, the expenditure is added to the cost. Any unimpaired carrying amounts on replaced components or parts of components are disposed of and expensed in conjunction with replacement. Repairs are expensed on a running basis.

Depreciation policies

Depreciation occurs on a straight-line basis over the estimated useful life of the asset; land is not impaired. Leased assets are also depreciated over the estimated useful life, or the contracted lease period if it is shorter.

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Estimated useful life:

- machinery and other technical assets, 5–12 years
- furniture, tools and fittings 5–10 years

The depreciation methods used, residual values and useful lives are reviewed at the end of every year.

Intangible assets

Goodwill

Goodwill is measured at cost less any accumulated impairment. Goodwill is allocated to cash-generating units and is tested on at least a yearly basis for impairment.

Other intangible assets

Other intangible assets acquired by the Group consist of order backlog, and are recognized at cost less accumulated amortization (see below) and any impairments.

Costs incurred for internally generated goodwill and internally generated brands are recognized in profit or loss for the year when the cost arises.

Subsequent expenditures

Subsequent expenditures for capitalized intangible assets are recognized as an asset in the statement of financial position only when they increase the future financial advantages for the specific asset which they are attributable to. All other expenditures are expensed when they arise.

Amortization policies

Amortization is recognized on a straight-line basis over the estimated useful lives of the intangible assets, provided that such useful lives are not indeterminate. The useful lives are reviewed at least yearly. Goodwill and other intangible assets that are not yet ready for use, are reviewed for impairment on a yearly basis and additionally as soon as indications arise showing that the asset in question has decreased in value. Intangible assets with determinate useful lives are amortized from the date they are available for use.

The estimated useful lives are:

- order backlog 1–2 years
- capitalized development expenditure 3–5 years

Impairment

The Group's recognized assets are assessed on every balance-sheet date to determine if there are indicators of impairment.

If there is an indicator of impairment, the recoverable amount of the asset is calculated (see below). For goodwill and intangible assets that are not yet ready for use, the recoverable amount is calculated yearly. If materially independent cash flows cannot be determined for an individual asset, and its fair value less the cost to sell cannot be used, the assets are grouped when testing the need for impairment at the lowest level where it is possible to identify materially independent cash flows; this is known as a cash-generating unit.

An impairment is recognized when the carrying amount of an asset or cash-generating unit (group of units) exceeds the recoverable amount. An impairment is recognized as a cost in profit or loss for the year. When impairment is identified for a cash-generating unit (group of units), the impairment amount is allocated first of all to goodwill. Subsequently, a proportional impairment is made of other assets included in the unit (group of units).

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The recoverable amount is the higher of fair value less the cost to sell and value-in-use. In calculating value-in-use, future cash flows are discounted by a discount factor that takes into account the risk-free interest rate and the risk associated with the specific asset.

Reversal of impairment losses

An impairment of assets included in the field of application for IAS 36 is reversed if there is both an indication that impairment no longer exists, and a change has occurred in the assumptions that formed the basis for calculating the recoverable amount. Goodwill impairment, however, is never reversed. A reversal only occurs to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognized, less amortization where appropriate, if no impairment had occurred.

Impairment of financial assets

Reserves for expected credit losses are calculated and reported for the financial assets measured at amortized cost, and for the financial assets measured at fair value through other comprehensive income. Reserves for credit losses are initially calculated and reported based on twelve months of expected credit losses. If the credit risk has significantly increased since the financial asset was first recognized, reserves for credit losses are calculated and reported based on expected credit losses for the entire remaining life of the asset. For trade receivables that do not contain a significant finance component, a simplified method is applied and reserves for credit losses are calculated and reported based on expected credit losses for the entire remaining life, regardless of whether or not the credit risk has substantially increased. Calculation of expected credit losses is primarily based on information about historical losses for similar receivables and counterparties. The historical information is continually evaluated and adjusted based on the current situation, and the Group's expectations regarding future events.

Impairment of financial instruments prior to 1 January 2018

For 2017, the Group assessed at the end of every reporting period whether there was objective evidence that impairment existed for a financial asset or group of financial assets. A financial asset or a group of financial assets was impaired only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that this event was deemed to have an impact on the estimated future cash flows of the financial asset that could be reliably estimated.

Payment of capital to owners

Dividends

Dividends are recognized as a liability after the dividend has been approved at the Annual General Meeting.

Employee benefits

Short-term benefits

Short-term benefits for employees are calculated without discount and recognized as an expense when the related services are received.

A provision is recognized for the anticipated cost of bonus payments when the Group has a valid legal or informal obligation to make such payments as a result of services being received from employees and the obligation can be reliably calculated.

Post-employment benefits

In defined-contribution plans, the company pays fixed fees to a separate legal entity, and has no obligation to pay additional fees. The Group's earnings are expensed for costs in pace with the benefits being vested.

Defined-benefit plans are plans for post-employment benefits other than defined-contribution plans. The Group's net obligation regarding defined benefit plans is calculated separately for each plan through an estimate of the future benefits the employee has earned through their employment in both current and previous periods. The Group bears the risk for the plan providing the benefits offered.

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The net of the estimated present value of the obligations and the fair value of the plan assets is recognized in the statement of financial position as either a provision or a long-term financial receivable.

The pension cost and pension obligation for defined-benefit pension plans are calculated annually by independent actuaries. The discount rate is the interest rate, on the balance-sheet date, of mortgage bonds, with a tenor that corresponds to the Group's pension obligations. When there is no functioning market for such corporate bonds, the market rate on government bonds with an equivalent tenor is used instead. The calculation is performed by a qualified actuary using the projected unit credit method. Moreover, the fair value of any plan assets is estimated as of the reporting date. Net interest expenses/income on the defined-benefit obligation/asset are recognized in profit or loss for the year under Net financial items. Net interest items are based on the interest rate that arises when discounting the net obligation, i.e. interest rate on the obligation, plan assets, and interest rate on the effect of any asset ceilings.

Other components are recognized in operating profit. Translation effects consist of actuarial gains and losses, the difference between the actual return on plan assets and the sum included in net interest items, and any changes in the effects of asset ceilings (excluding interest included in net interest items). The translation effects are recognized in Other comprehensive income. When the calculation results in an asset for the Group, the net carrying amount for the asset is restricted to the lower of the surplus in the plan and the asset ceiling calculated using the discount rate.

The asset ceiling consists of the present value of the future financial benefits in the form of reduced future fees or cash repayment. Any requirements for minimum funding are taken into account in calculating the present value of future repayments or receipts.

Changes to or reductions in a defined-benefit plan are recognized at the earliest of the following: a) when the change or reduction in the plan occurs; or b) when the company recognizes related restructuring costs and termination benefits. The changes and reductions are recognized directly in profit or loss for the year.

The special employer's contributions constitute a part of the actuarial assumptions and are therefore recognized as part of the net obligation or asset. For reasons of simplification, the part of the special employer's contribution in a legal entity that is calculated based on the Pension Obligations Vesting Act is recognized as an accrued cost instead of as a part of the net obligation or asset.

Tax on returns is recognized on an ongoing basis in profit or loss for the year for the period the tax relates to, and is therefore not included in the liability calculation. With funded plans, the tax is charged to the return on plan assets and is recognized in Other comprehensive income. With unfunded or partially funded plans, the tax is charged to profit or loss for the year.

Termination benefits

A cost for benefits in connection with termination of personnel is recognized when the company can no longer withdraw the offer to the employee or when the company recognizes costs for restructuring, whichever is earlier. The benefits that are expected to be settled after twelve months are recognized at their present value. Benefits that are not expected to be fully settled within twelve months are recognized under long-term benefits.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in, first-out principle.

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Provisions

A provision is distinguished from other liabilities in that there is uncertainty around the payment date or the amount to settle the provision. A provision is recognized in the statement of financial position when there is an existing legal or informal obligation as a result of an event that has occurred, it is probable that an outflow of financial resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are made with the amount that is the best estimation of what will be required to settle the existing obligation on the balance-sheet date. Where the effect of the timing of the payment is substantial, provisions are calculated through discounting the anticipated future cash flow at an interest rate before tax that reflects the current market assessments of the time value of the money and, if appropriate, the risks associated with the liability.

Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical warranty data and a comparison of potential outcomes in relation to the likelihoods associated with each outcome.

Fulfilment warranties are included in monetary terms until the contract is surrendered to the client, which normally occurs in connection with an approved final inspection. If the warranty covers all or most of the contract sum, the amount of the contingency is calculated as the contract sum less the value of the completed portion. In cases where the warranty covers only a smaller part of the contract sum, the amount of the guarantee contract is carried as an unchanged amount up until the contract is surrendered to the client.

In connection with the surrender of the contract, a security in the form of warranties from the bank or insurance institution is pledged for completion. In turn, the issuer of the warranty normally receives a counter obligation from the contracting company or other Group company. Such counter obligations relating to own contracts are not recognized as contingencies, since they contain no increased responsibility compared with the contract commitment.

Restructuring

A provision for restructuring is recognized when there is an established, detailed and formal restructuring plan and the restructuring has either begun or been publicly announced. No provision is made for future operating costs.

Onerous leases

A provision for onerous leases is recognized when the anticipated benefits that the Group expects to receive from a contract are lower than the inevitable costs for fulfilling the obligations under the contract.

Contingent liabilities

Information on a contingent liability is submitted when there is a possible obligation, attributable to past events, whose existence is confirmed only by one or more uncertain future events outside the Group's control or when there is an obligation that is not recognized as a liability or provision owing to the fact that it is not likely an outflow of resources will be required or cannot be calculated with sufficient reliability.

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Note 2 – Revenue

Revenue per principal income type (MSEK)

	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Group					
Net revenue					
Construction contracts with appurtenant services	6,145	5,498	5,247		
Service assignments	<u>3,833</u>	<u>3,387</u>	<u>2,922</u>		
	<u>9,978</u>	<u>8,885</u>	<u>8,169</u>		
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>>2023</u>
Aggregate amount of the transaction price for unsatisfied performance obligations	8,478				
Expects to be recognized as revenue		<u>5,676</u>	<u>1,365</u>	<u>705</u>	<u>731</u>

Note 3 – Operating segments

The Group's operating segments are based primarily on the main operational orientation the segments have. The following five operating segments have been identified:

- Electricity — offers comprehensive solutions for planning, installation, service and maintenance in electricity and automation. The operations also cover services in security and industrial servicing. A portion of production takes place in the company's proprietary electrical power stations.
- Heating & sanitation — designs, installs and maintains technical systems for heating, sanitation, sprinklers, industry, energy and cooling in all types of buildings.
- Ventilation — specialists in construction, installation, service and maintenance of energy-smart ventilation facilities.
- Norway — possesses a high degree of competency in primarily electricity, heating and sanitation, and automation.
- Finland — operations offer services in electricity, ventilation, heating and sanitation, and in automation and energy efficiency as well.

These segments are the primary divisions that the company's chief operating decision maker (CEO) observes in regards to earnings, capital requirements and cash flows.

Each operating segment has a director who drives operating activities and reports the outcome from the segment to CEO, which they are also a part of.

The earnings, assets and liabilities of the operating segments have included directly attributable items, as well as items that can reasonably and reliably be allocated to the segments. The internal price among the Group's various segments is set under the "arm's length" principle (i.e. between parties that are independent of each other, well-informed and with a shared interest in performing the transactions).

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Group operating segments 2019

1 Jan 2019 – 31 Dec 2019 (MSEK)	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Total reportable segments	Group- wide	Eliminations & other	Total
Revenue									
External net revenue*	4,088	2,565	1,462	1,285	597	9,997	0	-19	9,978
Internal net revenue	63	77	-94	—	0	46	—	-46	—
Net revenue	4,151	2,642	1,367	1,285	598	10,043	0	-65	9,978
<i>Of which servicing</i>	1,909	925	273	463	263	3,833	0	0	3,833
Operating costs excluding amortization, depreciation, impairment and items affecting comparability	-3,878	-2,474	-1,276	-1,211	-586	-9,425	-12	175	-9,262
Depreciation of property, plant and equipment and right of use assets	-51	-29	-18	-4	-0	-102	-3	-95	-200
<i>Adjusted operating profit/loss (Adjusted EBITA)</i>	222	139	73	70	12	516	-15	15	516
Items affecting comparability including impairment of right of use assets**	-84	-65	-16	-18	-2	-185	-61	—	-246
EBITA	138	74	57	52	9	330	-76	15	270
Amortization of intangible fixed assets									-18
<i>Operating profit/loss</i>									252
Financial income									59
Financial expenses									-178
<i>Net financial items</i>									-120
<i>Profit before tax</i>									133
Tax									-40
<i>Profit for the year</i>									92

* Revenue in the Electricity, H&S and Ventilation segments add up to net revenue in Sweden.

** The items affecting comparability includes in the Sales and administrative expenses line in the Profit or loss and other comprehensive income. The items affecting comparability primarily relate to acquisition related costs and integration of acquired business as well as restructuring programs and impairment of right of use assets of SEK 43 million.

The company's chief operating decision maker evaluates the segments' results on amounts before and after items affecting comparability.

The total operating expenses included in Note 4 encompass operating costs, depreciation, items affecting comparability, and amortization.

The measure of segment profit or loss reviewed by the chief operating decision maker is segment EBITA. The Group adopted IFRS 16 effective 1 January 2019, however management continues to measure the segments according to IAS 17. The adjustment from the segment amount measured using IAS 17 of SEK 101 Million to the combined amount measured using IFRS 16 of SEK 87 Million is reflected as an adjustment in Eliminations and Other such that the combined EBITA does reflect the lease expense as required by IFRS 16. The adjustment of SEK 101 Million is included in the caption Operating costs excluding depreciation, amortization, impairment, and items affecting comparability. The adjustment of SEK 87 Million is included in the caption Depreciation of property, plant and equipment and right of use assets.

See note 34 for definitions of alternative performance measures and reconciliation of total amounts.

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Other information

Goodwill	967	527	491	611	44	2,640	—	—	2,640
Other intangible assets	—	2	1	19	—	22	0	—	22
Property, plant and equipment	230	114	62	15	2	423	2	362	788
Trade receivables	608	332	162	225	84	1,411	—	-2	1,410
Contract assets	168	104	70	74	25	441	—	-0	441
Contract liabilities	260	237	107	91	17	712	—	-1	712
<i>Net contract assets</i>	-92	-133	-37	-17	7	-272	0	1	-271

* The assets in Electricity, H&S and Ventilation relate to operations in Sweden.

Group operating segments 2018

1 Jan 2018 – 31 Dec 2018 (MSEK)	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Total reportable segments	Group- wide	Eliminations & other	Total
Revenue									
External net revenue*	3,560	2,327	1,399	1,073	539	8,898	—	-13	8,885
Internal net revenue	32	61	-82	0	0	-10	—	-10	—
Net revenue	3,592	2,388	1,317	1,073	539	8,909	—	-23	8,885
<i>Of which servicing</i>	1,733	789	225	393	247	3,387	—		3,387
Operating costs excluding amortization, depreciation and items affecting comparability	-3,385	-2,254	-1,228	-998	-528	-8,393	-26	23	-8,396
Depreciation of property, plant and equipment	-42	-27	-16	-4	—	-89	-2	2	-88
<i>Adjusted operating profit/loss (Adjusted EBITA)</i>	165	107	73	71	11	427	-29	2	401
Items affecting comparability**	25	-0	-0	-1	1	25	-8	—	16
EBITA	190	107	73	70	12	452	-36	2	418
Amortization of intangible fixed assets									-3
<i>Operating profit/loss</i>									414
Financial income									7
Financial expenses									-200
<i>Net financial items</i>									-193
<i>Profit before tax</i>									220
Tax									-77
<i>Profit for the year</i>									143

* Revenue in the Electricity, H&S and Ventilation segments add up to net revenue in Sweden. One customer represents 10 per cent of net revenue.

** The items affecting comparability includes in the Sales and administrative expenses line in the Profit or loss and other comprehensive income. The items affecting comparability primarily relates to a settlement of a dispute, acquisition related costs and integration of acquired business, as well as restructuring programs.

The company's chief operating decision maker evaluates the segments' results on amounts before and after items affecting comparability

The total operating expenses included in Note 4 encompass operating costs, depreciation, items affecting comparability and amortization.

See note 34 for definitions of alternative performance measures and reconciliation of total amounts.

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Other information

Goodwill	960	430	490	492	40	2,411	—	—	2,411
Other intangible assets	—	—	0	6	—	6	2	—	9
Property, plant and equipment	215	112	55	16	1	399	3	—	402
Trade receivables	584	310	188	185	48	1,315	—	—	1,315
Contract assets	153	111	62	55	27	408	—	—	408
Contract liabilities	273	186	98	68	13	638	—	—	638
<i>Net contract assets</i>	-120	-75	-36	-13	14	-230	—	—	-230

* The assets in Electricity, H&S and Ventilation relate to operations in Sweden.

Group operating segments 2017

1 Jan 2017 – 31 Dec 2017 (MSEK)	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Total reportable segments	Group- wide	Eliminations & other	Total
Revenue									
External net revenue*	3,515	2,256	1,049	856	492	8,169	—	—	8,169
Internal net revenue	43	—	23	—	—	66	—	-66	—
Net revenue	3,559	2,256	1,072	856	492	8,235	—	-66	8,169
<i>Of which servicing</i>	1,707	677	133	271	134	2,922	—	—	2,922
Operating costs excluding amortization, depreciation, impairment and items affecting comparability	-3,420	-2,165	-1,008	-799	-507	-7,899	-6	66	-7,839
Depreciation of property, plant and equipment	-35	-27	-13	-2	—	-78	0	—	-78
<i>Adjusted operating profit/loss (Adjusted EBITA)</i>	103	64	50	55	-15	257	-6	—	252
Items affecting comparability**	-11	-1	-1	—	-8	-21	-40	—	-61
EBITA	92	63	49	55	-23	236	-27	—	191
Amortization of intangible fixed assets									-76
<i>Operating profit/loss</i>									115
Financial income									4
Financial expenses									-146
<i>Net financial items</i>									-142
<i>Profit before tax</i>									-27
Tax									50
<i>Profit for the year</i>									22

* Revenue in the Electricity, H&S and Ventilation segments add up to net revenue in Sweden. One customer represents 13 percent of net revenue.

** The items affecting comparability includes in the Sales and administrative expenses line in the Profit or loss and other comprehensive income. The items affecting comparability primarily relates to acquisition related costs and integration of acquired business as well as restructuring programs.

An impairment of SEK 19 million relates to capitalized development costs. The impairment is due to ineffective software with limited functionality.

The company's chief operating decision maker evaluates the segments' results on amounts before and after items affecting comparability

The total operating expenses included in Note 4 encompass operating costs, depreciation, items affecting comparability and amortization.

See note 34 for definitions of alternative performance measures and reconciliation of total amounts.

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Other information

Goodwill	960	420	479	444	38	2,340	—	—	2,340
Other intangible assets	—	—	—	—	—	—	5	—	5
Property, plant and equipment	174	89	46	10	2	321	1	0	322
Trade receivables	544	353	128	138	51	1,214	—	—	1,214
Contract assets	169	87	49	57	26	389	—	—	389
Contract liabilities	212	178	85	31	22	529	—	—	529
Net contract assets	-43	-91	-36	26	4	-140	—	—	-140

* The assets in Electricity, H&S and Ventilation relate to operations in Sweden.

Note 4 – Operating expenses by nature

<u>Group (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Raw materials and consumables	-3,404	-3,271	-3,172
Subcontractors and services purchased in production	-1,366	-1,083	-794
Consultant fees	-71	-141	-135
IT costs and telephony	-69	-97	-92
Personnel costs	-4,134	-3,648	-3,487
Depreciation/amortization	-217	-92	-154
Impairment of right-of-use assets	-43	—	—
Impairment of capitalized development costs	—	—	-19
Other operating costs	-422	-139	-201
Total	-9,726	-8,472	-8,054

An impairment of SEK 43 million in 2019 relates to right-of-use assets. The impairment is due to unused facilities due to closure of branches. An impairment of SEK 19 million in 2017 relates to capitalized development costs. The impairment is due to ineffective software with limited functionality.

Note 5 – Leases

Leases where the company is lessee.

<u>Group (MSEK)</u>	<u>2019</u>
Depreciation, vehicles	-86
Depreciation, premises	-87
Impairment	-43
Interest expenses, lease liabilities	-18
Total expenses for the year	-235

Total cash flow for leases is MSEK 196

Lease expenses not classified as right of use or lease liability

Lease expenses, short-term (under 12 months)	-5
Lease expenses, low-value assets	-3
Costs regarding variable lease expenses (property tax)	-3
Revenue from subletting of right of use	8
Total expenses for the year	-3

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	<u>2019</u>
Rights of use and lease liabilities	
Vehicles reclassified from property, plant and equipment, 1 Jan 2019	421
Opening depreciation, vehicles reclassified from property, plant and equipment, 1 Jan 2019	-130
Opening carrying amount, vehicles, 1 Jan 2019	24
Opening carrying amount, premises, 1 Jan 2019	408
Rights of use added during the year, vehicles	129
Rights of use added during the year, premises	60
Depreciation and impairment during the year	-218
Total rights of use	<u>693</u>
– of which, premises	336
– of which, vehicles	356
Total lease liabilities in the Group	<u>776</u>
Of which, current	<u>193</u>

Operating leases – IAS 17

Non-terminable lease payments total:

<u>Group (MSEK)</u>	<u>2018</u>	<u>2017</u>
Future commitments, leases		
Within one year	16	22
Between one and five years	28	32
Longer than five years	0	0
Total	<u>43</u>	<u>55</u>
 Future commitments, premises rentals		
Within one year	110	91
Between one and five years	278	268
Longer than five years	194	197
Total	<u>582</u>	<u>556</u>

Office equipment, IT equipment, cars (Norway, Finland) and premises are classified as operating leases. The duration of the leases normally varies between three and five years. Acquisitions of objects or extensions of leases require a separate agreement.

Expenses fees for operating leases total

<u>Group (MSEK)</u>	<u>2018</u>	<u>2017</u>
Assets held via operating leases		
Minimum lease expenses	135	140
Variable expenses	—	—
Total lease expenses	<u>135</u>	<u>140</u>
 Costs are allocated among the following contracts		
Lease expenses, cars	15	11
Lease expenses, IT	4	5
Premises rentals	113	121
Lease expenses, other	2	2
Total lease expenses	<u>135</u>	<u>140</u>

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Some of the leased properties have been sub-let by the Group. The income from sub-leases amounts to SEK 4 million (2018 and 2017: 4). The payments for the coming years are expected to MSEK (2018: 9).

The following table sets out a maturity analysis from sub-leases as per 31 December 2019, showing the undiscounted lease payments to be received after the reporting date.

<u>(MSEK)</u>	<u>31 Dec 2019</u>
Within one year	4
One to two years	4
Two to three years	5
Three to four years	4
Four to five years	4
Later than five years	4

Note 6 – Fees and reimbursements for auditors

<u>Group (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
KPMG			
Audit assignments	5	5	7
Audit activities in addition to audit assignments	3	0	0
Tax advice	0	0	0
Other assignments	7	0	1
Total	<u>15</u>	<u>5</u>	<u>8</u>

Audit assignments refer to the statutory audit of the annual report, consolidated financial statements and accounting, as well as of the administration by the Board of Directors and the CEO, and audits and other reviews performed under agreement or other contract. This includes other work tasks incumbent upon the company's auditor to perform, and advice or other assistance brought about by observations in conjunction with such review or performance of such other work tasks.

Note 7 – Employees, personnel costs and remuneration to senior executives

Salaries and other remuneration allocated by country and among senior executives and other employees, and parent company social security expenses (MSEK)

	<u>2019</u>		<u>2018</u>		<u>2017</u>	
	<u>Senior</u>	<u>Other</u>	<u>Senior</u>	<u>Other</u>	<u>Senior</u>	<u>Other</u>
	<u>executives</u>	<u>employees</u>	<u>executives</u>	<u>employees</u>	<u>executives</u>	<u>employees</u>
Parent Company	1	—	—	—	—	—
(of which bonuses and similar payments)	(0)	—	—	—	—	—
(of which pension costs)	(0)	—	—	—	—	—
Subsidiaries						
Sweden	24	2,340	26	2,117	17	2,126
(of which bonuses and similar payments)	(5)	(38)	(6)	(44)	(4)	(35)
(of which pension costs)	(5)	(202)	(6)	(165)	(3)	(170)
Norway	2	490	3	429	2	322
(of which bonuses and similar payments)	(1)	(13)	(1)	(8)	(1)	(5)
(of which pension costs)	(0)	(28)	(0)	(22)	(0)	(17)
Finland	2	185	2	158	2	158
(of which bonuses and similar payments)	(0)	(2)	(0)	(1)	(—)	(2)
(of which pension costs)	(0)	(13)	(0)	(27)	(0)	(27)
Subsidiaries total	28	3,016	31	2,704	22	2,607
(of which bonuses and similar payments)	(6)	(54)	(7)	(53)	(4)	(42)
(of which pension costs)	(5)	(243)	(6)	(214)	(4)	(214)
Group total	29	3,016	31	2,704	22	2,607
(of which bonuses and similar payments)	(7)	(54)	(7)	(53)	(4)	(42)
(of which pension costs)	(5)	(243)	(6)	(214)	(4)	(214)

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Remuneration, Group Management – Remuneration and conditions of employment to senior executives are to be at market rates to attract capable leadership. Remuneration consists of fixed salaries, variable remuneration and other benefits. Variable remuneration totals a maximum of 75 per cent of the fixed annual salary and is pensionable. The notice period for termination by the company is six months, with benefits retained. Pension benefits relate to both defined-benefit and defined-contribution plans. Other benefits relate to service vehicles, extra health care insurance, or alternately company health insurance, and has a limited value as regards fixed salary.

CEO – In May 2018, Mats Johansson took office as the new President and CEO. Remuneration to the CEO consists of fixed salary, variable remuneration and other benefits. Variable remuneration totals a maximum of 75 per cent of the fixed annual salary and is pensionable. The notice period for termination by the company is twelve months, with benefits retained. Pension benefits relate to both defined-benefit and defined-contribution plans. Other benefits relate to service vehicles, extra health care insurance, or alternately company health insurance, and has a limited value as regards fixed salary.

Note 8 – Pensions

Group

Of the total number of employees in the Assemblin Group, 30 percent (2018: 24 percent, 2017: 23 percent) have pensions recognized as defined-benefit. Other employees have pensions that are recognized as defined-contribution. The Swedish plan is unfunded and based on final salary, which provides employees with benefits in the form of a guaranteed level of pension disbursements over their lifetimes.

<u>Group (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statement of financial position obligations for:			
Pension benefits, defined-benefit	703	560	483
Total pension obligations	<u>703</u>	<u>560</u>	<u>483</u>
Costs are allocated among the following income statement items:			
Cost of goods sold	112	131	117
Sales and administrative expenses	135	95	101
Financial expenses	2	—	—
Total profit	<u>248</u>	<u>226</u>	<u>218</u>
Recognition in the income statement regarding:			
Costs for defined-benefit pension plans	30	26	23
Costs for defined-contribution pension plans	218	200	195
Total pension costs	<u>248</u>	<u>226</u>	<u>218</u>

Number of persons covered by IAS 19 calculations

	<u>Sweden</u>	<u>Norway</u>	<u>Finland</u>	<u>Total</u>
2019 Active	396			396
Paid-up policy holders	1,015			1,015
Pensioners	400			400
Total	<u>1,811</u>	<u>—</u>	<u>—</u>	<u>1,811</u>
2018 Active	392			392
Paid-up policy holders	615			615
Pensioners	365			265
Total	<u>1,372</u>	<u>—</u>	<u>—</u>	<u>1,372</u>
2017 Active	394			394
Paid-up policy holders	588			588
Pensioners	347			347
Total	<u>1,329</u>	<u>—</u>	<u>—</u>	<u>1,329</u>

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<u>Defined-benefit pensions (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Present value of unfunded obligations	626	508	441
<i>Total present value of defined-benefit obligations</i>	<i>626</i>	<i>508</i>	<i>441</i>
Payroll tax/Employer contributions	77	52	42
Net of present value of obligations and fair value of plan assets	703	560	483
<i>Net carrying amounts for defined-benefit plans</i>	<i>703</i>	<i>560</i>	<i>483</i>
 <u>Change in present value of obligations for defined-benefit plans (MSEK)</u>	 <u>2019</u>	 <u>2018</u>	 <u>2017</u>
Obligations for defined-benefit plans as at 1 January	508	441	417
Cost of vested benefits during the period	28	26	23
Interest expense	13	12	10
Pension disbursements	-12	-11	-11
Actuarial (gain)/loss, financial commitments	90	40	2
<i>Obligations for defined-benefit plans as at 31 December</i>	<i>626</i>	<i>508</i>	<i>441</i>

Overview of defined-benefit plans

The Group has a defined-benefit plan that provides remuneration to employees when they retire. The plan relates only to Sweden. The defined-benefit plan is exposed to actuarial risks such as life expectancy, currency, interest rate and investment risks. The plan is preliminary attributable to men. Payments to the plan are expected to total SEK 13.6 million (2018: 12.9, 2017: 10.9) over the next few years.

<u>Assumptions for defined-benefit obligations</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate as at 31 December	1.40%	2.40%	2.57%
Future salary growth	2.20%	2.50%	2.50%
Inflation	1.70%	2.00%	1.75%

The life expectancy assumption is based on published statistics and mortality rates. The current life expectancy on which the obligation is calculated is based on DUS14. The remaining life expectancy for a 65-year-old woman with this life expectancy assumption is 24 years (24) and 22 years (22) for a man. The total current life expectancy on which the obligation is calculated is 19 years (2018: 19, 2017:18).

Sensitivity analysis

The table below presents possible changes to actuarial assumptions as at the period end, other assumptions unchanged, and how these would affect the defined-benefit obligation.

<u>Change in the assumptions regarding 2019</u>	<u>Increase</u>	<u>Decrease</u>
Discount rate (0.5% change)	-9.0%	10.3%
Expected mortality (1 year change)	4.3%	-4.2%
Future salary growth (0.5% change)	6.0%	-5.3%
Increase/decrease in inflation (0.5% change)	7.2%	-6.5%
 <u>Change in the assumptions regarding 2018</u>	 <u>Increase</u>	 <u>Decrease</u>
Discount rate (0.5% change)	-8.6%	9.8%
Expected mortality (1 year change)	4.0%	-4.0%
Future salary growth (0.5% change)	5.8%	-5.1%
Increase/decrease in inflation (0.5% change)	6.9%	-6.3%
 <u>Change in the assumptions regarding 2017</u>	 <u>Increase</u>	 <u>Decrease</u>
Discount rate (0.5% change)	-8.4%	9.6%
Expected mortality (1 year change)	5.8%	-5.1%
Future salary growth (0.5% change)	6.8%	-6.1%
Increase/decrease in inflation (0.5% change)	3.9%	-3.9%

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Alecta

For salaried employees in Sweden, the defined-benefit pension obligations in the ITP-2 plan for retirement and family pensions are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, this is a defined-benefit plan that covers several employees. For the financial year, the company did not have access to such information as would make it possible to recognize this plan as a defined-benefit plan. The pension plan under ITP secured through insurance with Alecta is thus recognized as a defined-contribution plan.

The premium for the defined-benefit retirement and family pension is calculated individually and is based on such factors as the salary, previously earned pension and expected remaining length of service. Expected contributions in the next reporting period for ITP 2 insurance with Alecta amount to SEK 29.2 million (2018: 27). The Group's share of the total contributions to the pension scheme is 0.07% (2018: 0.09%), while its share of the total number of active members in the scheme is 0.06% (2018: 0.06%).

Annual fees for pension insurance contracted with Alecta totals SEK 55.5 million (2018: 51.5, 2017: 49.6). Alecta's surplus can be allocated to policy holders and/or the insured. The collective consolidation level consists of the market value of Alecta's actuarial calculations, which do not correspond with IAS 19. In the event of low consolidation levels, one measure could be raising the contracted price for new policies and expanding existing benefits. In the event of high consolidation levels, one measure could be introducing premium reductions. The collective consolidation level is normally allowed to vary between 125 and 155 percent. If Alecta's consolidation level falls below 125 percent or rises above 155 percent, measures must be taken to enable the consolidation level to return to the normal range. At year end, Alecta's surplus in the form of the collective consolidation level totaled 148 per cent (2018: 142, 2017: 154). In the event of low consolidation levels, one measure could be raising the contracted price for new policies and expanding existing benefits. In the event of high consolidation levels, one measure could be introducing premium reductions. The premiums to Alecta are calculated using assumptions interest rates, life expectancy, operating costs and tax on returns from pension funds, so that the payment of a consistent amount of premium up to the date the date of retirement is sufficient to ensure the entire, targeted benefit, based on the insured's current pensionable salary, is, in fact earned. There is no agreed framework to guide the process of managing any deficit that may arise. In the first instance, losses will be covered by Alecta's collective consolidation capital and will thus not lead to increased costs through higher contractual premiums. Nor are there guidelines on how surplus or deficits should be allocated in the event of dissolution of the scheme or a company's withdrawal from the scheme.

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Note 9 – Net financial items

<u>Group (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Interest income	1	1	1
Dividend	19	2	1
Exchange differences	39	—	1
Other financial income	1	5	—
Financial income	59	7	4
Interest expenses, other	-110	-126	-137
Financial assets at fair value through profit or loss	0	0	0
Cross currency swap – amount reclassified to profit or loss	-32	—	—
Exchange differences	0	-9	—
Arrangement fees, loans	-25	-48	0
Impairment	0	0	—
Other financial expenses	-12	-17	-8
Financial expenses	-179	-201	-146
Net financial items	-120	-193	-142

- (a) The total interest income and interest expenses arises from financial assets and financial liabilities measured at amortized costs.

Note 10 – Tax

Recognized in the statement of earnings and other comprehensive income/statement of earnings

<u>Group (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Current tax expense			
Tax expense for the year	-30	-43	-16
Adjustment of tax attributable to previous years	-6	0	2
	<u>-36</u>	<u>-43</u>	<u>-14</u>

Deferred tax

Deferred tax relating to temporary differences	-4	13	4
Deferred tax relating to tax loss carryforwards	0	-46	60
Adjustment of deferred tax attributable to previous years	—	0	0
	<u>-4</u>	<u>-34</u>	<u>64</u>
<i>Total reported tax expense (+) tax revenue (-) tax expense</i>	<u>-40</u>	<u>-77</u>	<u>50</u>

Reconciliation of effective tax

<u>Group (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Profit/loss before tax	133	220	-27
Tax under applicable tax rate for Parent Company	-28	-48	6
Effect of foreign operations with tax rates other than 22%	0	-0	0
Expenses not deductible for tax purposes	-4	-43	-31
Income not subject to tax	15	2	1
Capitalization of previously uncapitalized tax loss carryforwards	0	14	78
Impairment of previously capitalized tax loss	0	—	—
Increase in tax loss carryforwards without corresponding capitalization of deferred tax	-6	-1	-6
Revenue not recognized in profit or loss	-8	—	—
Restatement, new tax rate	-3	0	—
Other	-6	0	1
	<u>-40</u>	<u>-77</u>	<u>50</u>

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Deferred tax on temporary differences and tax loss carryforwards

Group (MSEK)	31 Dec 2019		
	Deferred tax asset	Deferred tax liability	Net deferred tax
Intangible fixed assets	0	-4	-4
Property, plant and equipment	14	0	14
Inventory	0	—	0
Trade receivables	2	—	2
Ongoing projects	3	-5	-2
Current liabilities	0	-1	0
Pension provisions	82	—	82
Warranty provisions	9	—	9
Untaxed reserves	—	-2	-2
Other	10	-1	9
Capitalized tax loss carryforwards	14	—	14
Netting	0	0	0
Net deferred tax assets (+)/liabilities (-)	134	-13	122

Group (MSEK)	31 Dec 2018		
	Deferred tax asset	Deferred tax liability	Net deferred tax
Intangible fixed assets	2	-1	0
Property, plant and equipment	0	-2	-2
Inventory	6	0	6
Trade receivables	2	—	2
Ongoing projects	3	—	3
Current liabilities	1	—	1
Pension provisions	59	—	59
Warranty provisions	8	—	8
Untaxed reserves	—	—	—
Other	7	0	6
Capitalized tax loss carryforwards	14	—	14
Netting	0	0	—
Net deferred tax assets (+)/liabilities (-)	101	-4	97

Group (MSEK)	31 Dec 2017		
	Deferred tax asset	Deferred tax liability	Net deferred tax
Intangible fixed assets	3	—	3
Property, plant and equipment	0	-3	-3
Inventory	1	-3	-3
Trade receivables	1	—	1
Ongoing projects	—	-6	-6
Current liabilities	5	—	5
Pension provisions	50	—	50
Warranty provisions	9	—	9
Untaxed reserves	—	-3	-3
Other	5	-1	4
Capitalized tax loss carryforwards	60	—	60
Netting	-4	4	—
Net deferred tax assets (+)/liabilities (-)	130	-12	118

The corporation tax rate for 2019 in Sweden was 21.422 per cent (2018 and 2017: 22); in Norway 22 per cent (2018: 23, 2017: 24) and in Finland 20 per cent (2018 and 2017: 20). In Sweden, corporate tax will be decreased to 20.6 per cent as of 1 January 2021

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Unrecognized deferred tax assets

At year end, the total tax loss in the Group was SEK 310 million (2018: 245, 2017: 475), of which SEK 68 million (2018: 68, 2017: 274) was capitalized. Deferred tax on uncapitalized tax losses totaled SEK 50 million (2018: 36, 2017: 40); this is attributable to Sweden, Norway and Finland and matures according to the table below.

The Assemblin Group has capitalized tax loss carryforwards totaling SEK 68 million (2018: 68, 2017: 274), containing deferred tax assets of SEK 14 million (2018: 14, 2017: 60). Capitalized tax losses are attributable to Swedish and Finnish wholly owned subsidiaries. Based on prepared forecasts and a very strong order book, it is the opinion of the Board of Directors that the remaining tax loss will likely be settled against future taxable gains.

<u>(MSEK)</u>	<u>2019</u>
2018	—
2019	—
2020	—
2021	3
2022	—
After 2022	277
No due date	<u>31</u>
Total tax loss	<u>310</u>
Of which capitalized	68

Net changes in deferred tax in temporary differences and tax loss carryforwards, 2019

<u>Group (MSEK)</u>	<u>Opening balance</u>	<u>Recognized in profit/loss for the year</u>	<u>Recognized in other comprehensive income</u>	<u>Translation differences and other items</u>	<u>Acquisition/Sale of business</u>	<u>Balance as of 31 Dec 2019</u>
Intangible assets	0	0	—	—	-6	-6
Property, plant and equipment	-2	5	12	—	—	15
Inventory	6	-5	—	—	—	0
Trade receivables	2	0	—	—	—	2
Ongoing projects	5	-4	—	—	—	0
Current liabilities	1	-2	—	—	—	0
Pension provisions	59	0	23	—	—	83
Warranty provisions	8	1	—	—	—	9
Untaxed reserves	—	-2	—	—	—	-2
Other	3	4	1	—	-2	7
Capitalization of tax loss carryforwards	<u>14</u>	<u>0</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>14</u>
Total	<u>97</u>	<u>-4</u>	<u>37</u>	<u>—</u>	<u>-7</u>	<u>122</u>

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Net changes in deferred tax in temporary differences and tax loss carryforwards, 2018

Group (MSEK)	Opening balance	Recognized in profit/loss for the year	Recognized in other comprehensive income	Translation differences and other items	Acquisition/Sale of business	Balance as of 31 Dec 2018
Intangible assets	3	-2	—	0	—	0
Property, plant and equipment	-3	1	—	0	—	-2
Inventory	-3	8	—	—	—	6
Trade receivables	2	1	—	0	—	2
Ongoing projects	-6	9	—	-1	2	5
Current liabilities	5	-3	—	0	—	1
Pension provisions	51	-2	10	—	—	59
Warranty provisions	9	-1	—	0	—	8
Untaxed reserves	-3	3	—	—	—	—
Other	3	0	—	0	1	3
Capitalization of tax loss carryforwards	60	-47	—	—	—	14
Total	118	-34	10	-1	3	97

Net changes in deferred tax in temporary differences and tax loss carryforwards, 2017

Group (MSEK)	Opening balance	Recognized in profit/loss for the year	Recognized in other comprehensive income	Translation differences and other items	Acquisition/Sale of business	Balance as of 31 Dec 2017
Intangible assets	-12	15	—	0	—	3
Property, plant and equipment	-4	1	—	0	—	-3
Inventory	-4	1	—	—	—	-3
Trade receivables	-4	5	—	0	—	2
Ongoing projects	—	-6	—	0	—	-6
Current liabilities	28	-23	—	—	—	5
Pension provisions	49	2	1	—	—	51
Warranty provisions	1	4	—	0	4	9
Untaxed reserves	-18	15	—	—	—	-3
Other	7	-9	—	0	6	3
Capitalization of tax loss carryforwards	1	60	—	—	—	60
Total	44	64	1	0	10	118

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Note 11 – Equity

<i>Parent Company</i>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Shares outstanding			
Opening numbers of shares	50,000	50,000	50,000
New share issue	<u>450,000</u>	<u>—</u>	<u>—</u>
Number of shares at end of year	<u><u>500,000</u></u>	<u><u>50,000</u></u>	<u><u>50,000</u></u>

Share capital in Assemblin Financing AB (publ) totals SEK 500,000 (50,000) with a par value per share of SEK 1.00 (2018 and 2017: 1.00). All issued shares are outstanding and own an equal participation in the Parent Company's assets and gains, and are paid in full. At the reporting date there are no additional shares authorized for issue. Each share carries the right to one vote.

As part of the listing process for a bond, Assemblin Financing AB (publ) issued 450 000 common shares on 7 November 2019. At the same time, Assemblin Financing AB (publ) registered as a public company.

Dividends paid in 2019 totaled SEK 0 million (2018: 12, 2017: 0), corresponding to SEK 0 (233.79) per share.

Group Reserves for accumulated other comprehensive income (MSEK)	Translation reserve	Hedge reserve	Accumulated deficit and profit/ loss for the year	Total other comprehensive income
Opening carrying amount, 1 Jan 2017	5	—	-51	-47
Translation differences in translation of foreign subsidiaries	-11	—	—	-11
Revaluation of defined-benefit pension plans	—	—	-2	-2
Employer's contribution, defined-benefit pension plans	—	—	-0	-0
Tax attributable to items that cannot be transferred to profit/loss for the year	—	—	1	1
Closing carrying amount, 31 Dec 2017	<u>-6</u>	<u>—</u>	<u>-53</u>	<u>-59</u>
Opening carrying amount, 1 Jan 2018	-6	—	-53	-59
Translation differences in translation of foreign subsidiaries	11	—	—	11
Revaluation of defined-benefit pension plans	—	—	-40	-40
Employer's contribution, defined-benefit pension plans	—	—	-10	-10
Tax attributable to items that cannot be transferred to profit/loss for the year	—	—	10	10
Closing carrying amount, 31 Dec 2018	<u>5</u>	<u>—</u>	<u>-92</u>	<u>-88</u>
Opening carrying amount, 1 Jan 2019	5	—	-92	-88
Translation differences in translation of foreign subsidiaries	11	—	—	11
Hedge reserve	—	-6	—	-6
Tax attributable to items that can be transferred to profit/loss for the year	—	1	—	1
Revaluation of defined-benefit pension plans	—	—	-90	-90
Employer's contribution, defined-benefit pension plans	—	—	-21	-21
Tax attributable to items that cannot be transferred to profit/loss for the year	—	—	23	23
Closing carrying amount, 31 Dec 2019	<u>16</u>	<u>-5</u>	<u>-181</u>	<u>-170</u>

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Translation reserve

The translation reserve includes all exchange differences that arise in restating the financial reports from operations abroad that have prepared their own financial statements in a currency other than the one that the Group's financial reports are presented in. The Group presents their financial reports in Swedish kronor.

Hedge reserve

Assemblin applies hedge accounting for financial derivatives that have been raised for the purpose of hedging loans in foreign currency. Changes to the market value of hedging instruments are recognized in other comprehensive income and accumulate in the hedging reserve until the hedged transaction is completed, when the earnings are recognized in profit or loss.

Capital management

According to the Board's policy, the Group's financial goal is to have a good financial position, which contributes to maintaining the confidence of investors, lenders and the market and serve as a foundation for continued development of business operations, while at the same time, generating satisfactory long-term returns to shareholders. Capital is defined as total equity. Neither the parent company nor any of the subsidiaries are subject to external capital regulations.

Merger reserve

The merger reserve consists of the effects of the corporate reorganization occurring on 6 December 2019 where the net of the SEK 5,081 million purchase price and Assemblin Financing AB's SEK 0 million equity was recognized. Also recognized in the merger reserve is the SEK 4,089 million shareholder contribution from Midco through the forgiveness of Promissory Note 2 in connection with the transaction described in Note 1.

Note 12 – Business combinations

The following business combinations were completed in 2019:

Unit acquired	Division	Type	Participation	Date of acquisition	Number of employees	Revenue for the year, 2019
Norrlands Industrimontage AB	Electricity	Company	100%	January	40	50
Värmesvets Entreprenad i Eslöv AB	Heating & sanitation	Company	100%	March	44	90
Industri och Värmemontage Werme AB	Heating & sanitation	Company	100%	June	38	75
KP Svets & Smide AB	Heating & sanitation	Company	100%	June	15	25
Bygg og Varme	Norway	Assets and liabilities	—	October	1	2
Suomen Kylmäpiste	Finland	Assets and liabilities	—	October	3	10
Hagen Holding AS (Arve Hagen AS)* ...	Norway	Company	100%	November	43	100
Hagen Holding AS (Ramsøy AS)	Norway	Company	100%	November	55	132
Hagen Holding AS (Gjövik Värme og Sanitär AS)	Norway	Company	100%	November	12	28
					<u>251</u>	<u>512</u>

* The acquisition Hagen Holding AS has changed its name to Assemblin Innlandet AS.

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The business combinations are deemed immaterial and the following information is presented at an aggregate level. The amount of revenue since the acquisition dates amounts to SEK 242 million and operating profit amounts to SEK 23 million. If the acquisition had occurred on 1 January 2019, the Group's sales would have increased by SEK 270 million and the companies acquired would altogether have brought in an operating profit of SEK 31 million.

The following business combinations were completed in 2018:

Unit acquired	Division	Type	Participation	Date of acquisition	Number of employees	Revenue for the year, 2018
Söderby Rör i Uppsala AB	Heating & sanitation	Assets and liabilities	—	1 January	14	22
Svenssons Rörinstallation i Kinna AB	Heating & sanitation	Company	100%	2 May	15	25
JVT Vent AB	Ventilation	Company	100%	3 September	30	68
Wennevolds Elektro AS	Norway	Company	100%	15 October	36	151
Trentec Team Oy	Finland	Company	100%	14 December	14	21
					<u>109</u>	<u>288</u>

The business combinations are deemed immaterial and the following information is presented at an aggregate level. The amount of revenue since the acquisition dates amount to SEK 88 million and operating profit amounts to SEK 4 million. If the business combination had occurred on 1 January 2018, the Group's revenue would have increased by SEK 200 million and brought in an operating profit of SEK 13 million.

The following business combinations were completed in 2017:

Unit acquired	Division	Type	Participation	Date of acquisition	Number of employees	Revenue for the year, 2017
Ivarssons Rörläggeri AB	Heating & sanitation	Company	100%	1 December	25	36
Kylkompanjon i Östergötland AB	Ventilation	Assets and liabilities	—	2 May	10	13
Sevede Rör AB	Heating & sanitation	Assets and liabilities	—	1 February	<u>3</u>	<u>5</u>
					<u>38</u>	<u>54</u>

* The business combinations relate to the company and appurtenant subsidiaries.

The business combinations are deemed immaterial and the following information is presented at an aggregate level. The amount of revenue since the acquisition dates amounts to SEK 12 million and operating profit amount to SEK 1 million. If the business combination had occurred on 1 January 2017, the Group's revenue would have increased by SEK 42 million and brought in an operating profit of SEK 2 million.

The business combinations are deemed immaterial on an individual basis, which is why the information is presented at an aggregate level.

In late 2018, Assemblin El AB acquired the shares in Norrlands Industrimontage AB (NIAB), with 1 January 2019 as the date of acquisition. This acquisition strengthens its market presence in northern Sweden and strengthens its service operations.

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On 1 March 2019, Assemblin VS AB acquired Värmesvets Entreprenad i Eslöv AB through a share transfer. The company operates across the country, but with its primary focus in the Malmö region and in Jönköping and environs, where it offers services in heating and sanitation, licensed piping and process installations for industry, and district heating distribution. The company's competence, primarily in district heating, and presence in the industrial sector gives Assemblin even more breadth in an already extensive customer offering.

On 1 June 2019, Assemblin VS AB acquired all shares in Industri och Värmemontage Werme AB to increase its market presence in the Uppsala region. The company specializes in conversion and new construction as well as maintenance of district heating substations, gas and steam substations and conduit work for customers primarily in energy and industrial companies. The acquisition is a part of Assemblin's continuing strategy to increase its presence in the industrial sector and to strengthen its competence in district heating.

On 1 June 2019, Assemblin VS AB acquired all shares in KP Svets & Smide AB, a former subsidiary of Industri och Värmemontage Werme AB. The company specializes in cast ironwork and repairs, and collaborates to a great extent with Industri och Värmemontage Werme AB on constructing steel and iron- work solutions for their projects. The acquisition of the company ensures a secure partner for Assemblin as regards deliveries of welding and ironwork solutions, which will lead to shorter turnaround times with an increase in production quality and thus a better customer delivery throughout.

In October 2019, Assemblin AS acquired Bygg og Varmer through an assets and liabilities transaction that will mean an expanded service offering in the Oslo area.

In October 2019, Assemblin Oy acquired the cooling operations of Suomen Kylmäpiste Oy through an assets and liabilities transaction. With cooling operations primarily in the Uusimaa region of Finland, the company strengthens Assemblin Oy's offering in cooling and property services.

Hagen Holding AS (now rechristened Assemblin Innlandet AS) and its three subsidiaries were acquired in October, with 1 November 2019 as the date of possession. The company supplements existing heating and sanitation operations in Norway, and strengthens market presence north of Oslo.

Effects of business combinations (MSEK)	2019	2018	2017
The business combinations have the following effects on the Group's assets and liabilities:			
Intangible assets	0	—	—
Order backlog	25	8	—
Property, plant and equipment	7	4	0
Right-of-use assets	6	—	—
Other fixed assets	14	0	—
Revenue generated, uninvoiced	18	7	—
Trade receivables	65	41	6
Other current assets	57	28	3
Provisions*	-7	-15	—
Non-current liabilities	-19	-2	—
Deferred tax on surplus	-3	-2	—
Contract liabilities	-6	-3	—
Trade payables	-24	-18	-2
Current liabilities	-78	-22	-1
<i>Net identifiable assets and liabilities</i>	<u>55</u>	<u>27</u>	<u>6</u>
Group goodwill*	212	61	10
Consideration transferred	267	89	16

* During 2017 the preliminary purchase price allocations for the 2016 business combinations were adjusted. The adjustment is mainly related to provisions for guarantees and affected the goodwill of SEK 39 million, whereupon Assemblin EI AB provisions were adjusted by SEK 22.1 million, Assemblin VS AB by SEK 15.5 million, and Assemblin Ventilation by SEK 1.5 million.

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Receivables

The gross value of the receivables corresponds with their fair value.

Goodwill

The value of goodwill includes the value of synergy effects in the form of more efficient production processes, as well as the technical knowledge of personnel. No part of the goodwill is tax-deductible.

Order backlog

Order backlog includes the value of existing orders on the acquisition date. The majority of the Group's order backlog has a short duration.

Expenditures related to business combinations

Expenditures related to business combinations totaled SEK 5 million (2018: 2, 2017: 0) and relate to fees to consultants in conjunction with due diligence. These expenditures were recognized in sales and administrative expenses in the statement of profit or loss and other comprehensive income.

<u>Consideration transferred (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Consideration	267	89	16
Consideration as yet unsettled	-29	-7	-2
Cash and cash equivalents in companies acquired	-32	-20	-2
<i>Net effect on cash and cash equivalents, consideration transferred</i>	<u>206</u>	<u>62</u>	<u>12</u>

Note 13 – Assets pledged, contingent liabilities and contingent assets

<u>Group (MSEK)</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
Assets pledged			
<i>In the form of assets pledged for own liabilities and provisions</i>			
Endowment insurance as security for direct pensions	14	13	12
Fixed assets as security for finance lease liability ...	—	291	252
Shares in subsidiaries	238	238	106
Bank accounts	17	—	—
<i>Total assets pledged</i>	<u>269</u>	<u>542</u>	<u>370</u>
Contingent liabilities			
Warranty commitments, PRI	6	6	5
Uncertain levy for tax deductions related to interest expenses	—	15	2
<i>Total contingent liabilities</i>	<u>6</u>	<u>21</u>	<u>7</u>

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Note 14 – Intangible assets

Group (MSEK)	Goodwill			Order backlog			Capitalized development cost			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Accumulated cost												
At start of year	2,411	2,340	2,312	150	142	144	116	116	109	2,677	2,598	2,564
Business combinations	212	61	10	26	8	—	0	—	—	237	70	10
Adjustment upon completion of final acquisition analysis	—	—	39	—	—	—	—	—	—	—	—	39
Investments	—	—	—	1	—	—	1	0	8	2	0	8
Disposals	—	—	—	0	—	—	—	-1	—	0	-1	—
Transfer	—	—	—	—	—	—	4	—	—	4	—	—
Exchange differences	17	10	-22	1	0	-2	0	—	-1	19	10	-24
At year end	<u>2,640</u>	<u>2,411</u>	<u>2,340</u>	<u>178</u>	<u>150</u>	<u>142</u>	<u>120</u>	<u>116</u>	<u>116</u>	<u>2,939</u>	<u>2,677</u>	<u>2,598</u>

Accumulated amortization

At start of year	—	—	—	-143	-141	-74	-22	-20	-13	-165	-161	-87
Amortization for the year	—	—	—	-15	-1	-69	-3	-2	-7	-18	-3	-76
Disposals	—	—	—	0	—	—	—	—	—	0	—	—
Transfers	—	—	—	—	—	—	-1	—	—	-1	—	—
Exchange differences	—	—	—	-1	-1	1	0	—	—	-1	-1	1
At year end	<u>—</u>	<u>—</u>	<u>—</u>	<u>-159</u>	<u>-143</u>	<u>-141</u>	<u>-25</u>	<u>-22</u>	<u>-20</u>	<u>-185</u>	<u>-165</u>	<u>-161</u>

Accumulated impairment

At start of year	—	—	—	-1	-1	-1	-91	-91	-73	-92	-92	-73
Impairment for the year	—	—	—	—	—	—	—	—	-19	—	—	-19
Disposals	—	—	—	1	—	—	—	—	—	1	—	—
At year end	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>-1</u>	<u>-1</u>	<u>-91</u>	<u>-91</u>	<u>-91</u>	<u>-91</u>	<u>-92</u>	<u>-92</u>
Carrying amount, 31 December ...	<u>2,640</u>	<u>2,411</u>	<u>2,340</u>	<u>19</u>	<u>6</u>	<u>—</u>	<u>4</u>	<u>2</u>	<u>5</u>	<u>2,663</u>	<u>2,420</u>	<u>2,345</u>

The amortization of Order backlog and Capitalized development costs is allocated to Sales and administrative expenses.

Capitalized development costs are internally generated intangibles.

Impairment testing of cash generating units containing goodwill

Assessing the value of the Group's goodwill occurs annually based on the value-in-use of the cash generating units. The value-in-use for the respective units is based on a forecast of future cash flows. These are based on the 2020 budget and the business plans for 2021 and 2022, approved by the management and subsequently on the business area-specific assumptions of yearly sales growth, adjusted EBITDA margin and working capital requirements for the period from 2023 to 2024, approved by the management. These assumptions are set based on the history of the operations, the objectives in the business plan, the competitiveness of the operations and an assessment of future trends in the business cycle.

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The most important assumptions in the analysis are future growth rate in revenue, adjusted EBITDA margin and discount rate. These assumptions are based on the budget and on forecasts built on previous experiences as well as internal and external sources of information. The assumptions used to extrapolate beyond the latest forecast period are established through the company's ability to retain its margins and grow in line with long-term market growth/inflation, based on forecasts from central banks and similar institutions. Discount rates are established using the capital asset pricing model (CAPM, starting from external assessments of risk-free rate, volatility, yield requirements on equity and our finance costs for external credit facilities). Annual growth for the period after 2024 is assumed to be 2.0 per cent (2018 and 2017: 2.0). The present value of the forecast cash flows has been calculated with a discount rate of 8.0 per cent (2018 and 2017: 9.0) before tax, based on a weighted average of the company's cost for externally borrowed capital and yield requirement on equity considering the specific risk in the business. It is the company's opinion that growth after 2024 and the discount rate will be the same for all cash-generating units, while the cash generating units are facing the same risk profile. As of 31 December 2019, the value-in-use exceeds the carrying amount for all units tested. Thus, there is no impairment, and no reasonable possible changes in the material assumptions would give rise to impairment.

	Electricity	Heating & sanitation	Ventilation	Norway	Finland	Group-wide	Total
Goodwill per cash generating unit, 2019							
Goodwill	967	527	491	611	44	—	2,640
Goodwill per cash generating unit, 2018							
Goodwill	960	430	490	492	40	—	2,411
Goodwill per cash generating unit, 2017							
Goodwill	960	420	479	444	38	—	2,340

Note 15 – Property, plant and equipment

Group (MSEK)	Land & buildings			Leasehold improvements			Machinery, furniture & other technical assets			Total		
	2019	2018	2017	2019	2018	2017	2019	2018	2017	2019	2018	2017
Accumulated cost												
At start of year	8	7	18	67	59	56	773	656	596	848	721	670
Business combinations	—	—	—	1	—	—	5	3	0	5	3	0
Investments	—	0	0	2	12	1	12	188	123	14	201	125
Disposals	—	—	-10	-1	-4	-0	-42	-74	-63	-43	-78	-73
Transfers	-3	1	-1	4	—	1	-421	—	—	-421	1	—
Exchange differences	0	0	0	0	—	—	1	0	-1	-1	0	-1
At year end	<u>5</u>	<u>8</u>	<u>7</u>	<u>72</u>	<u>67</u>	<u>59</u>	<u>328</u>	<u>773</u>	<u>656</u>	<u>405</u>	<u>848</u>	<u>721</u>

Depreciation

At start of year	-4	-3	-6	-22	-22	-18	-420	-389	-364	-446	-414	-388
Business combinations	—	—	—	—	—	—	—	—	—	—	—	—
Depreciation of the year	0	-1	-1	-5	-3	-3	-21	-84	-74	-26	-88	-78
Disposals	—	—	3	0	4	0	33	53	48	33	56	51
Transfers	1	—	1	-1	—	-1	130	—	—	130	—	—
Exchange differences	0	0	0	0	—	—	-1	0	1	-1	0	1
At year end	<u>-4</u>	<u>-4</u>	<u>-3</u>	<u>-28</u>	<u>-22</u>	<u>-22</u>	<u>-278</u>	<u>-420</u>	<u>-389</u>	<u>-310</u>	<u>-446</u>	<u>-414</u>

Impairment

At start of year	—	—	—	0	0	0	0	0	0	0	0	0
Impairment for the year	—	—	—	0	—	—	—	—	—	0	0	-0
Disposals	—	—	—	—	—	—	—	—	—	0	—	0
Exchange differences	—	—	—	—	—	—	—	—	—	0	—	—
At year end	<u>—</u>	<u>—</u>	<u>—</u>	<u>0</u>	<u>0</u>	<u>-0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-1</u>	<u>0</u>	<u>0</u>
Carrying amount, 31 December	<u>1</u>	<u>3</u>	<u>3</u>	<u>44</u>	<u>45</u>	<u>37</u>	<u>50</u>	<u>354</u>	<u>267</u>	<u>95</u>	<u>402</u>	<u>307</u>

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Group – Finance leases IAS 17

The Group leases vehicles that are included above in the category of machinery, furniture and other technical assets. When the leases expire, the Group has the option of purchasing the equipment. There are options to extend the leases when they expire. As at 31 December 2018, the value of the leased assets totaled SEK 291 million (252). The leased assets are security for the lease liabilities.

Note 16 – Financial investments

<u>Group (MSEK)</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
Accumulated cost			
At start of year	33	32	32
Business combinations	0	—	—
Investments	0	—	—
Impairment	—	0	0
Share of profit*	1	—	—
Exchange differences	0	0	0
Carrying amount	34	32	32
Breakdown of securities			
Elajo Invest AB	30	30	30
Other	4	2	2
Total	<u>34</u>	<u>32</u>	<u>32</u>

* Shares in profits in NSM EL HB and NSM VS HB.

The securities above largely pertain to shares in Elajo, for which the fair value at year-end was SEK 30 million (30). The share is classified as a Level 3 asset; for further information refer to Note 19.

Note 17 – Financial risks and risk management

Through its operations, the Group is exposed to various types of financial risks.

- Liquidity risk
- Refinancing risk
- Currency risk
- Interest rate risk
- Credit risk

Framework for financial risk management

Responsibility for the Group's financial transactions and risks is managed centrally by the Group's treasury function, which is part of the Parent Company. The overall objective for the treasury function is to provide cost effective financing and to minimize negative effects on the Group's earnings arising from financial risks.

Liquidity risk

Liquidity risk is defined as the risk that the Group cannot meet its immediate payment obligations. To ensure this, the Group has measures including a three-month liquidity plan covering all of the Group's units. There is also a routine for continually ensuring the holding of suitable credit facilities.

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Maturity structure, financial liabilities – undiscounted cash flows

Maturity structure

Maturity structure relating to future contractual interest payments, based on current interest rate levels and amortization.

Group (MSEK) 2019	Currency	Amount	Total	<1 year	1–5 yrs	>5 yrs
Bond loans*	EUR	250	2,640	—	—	2,640
Trade payables	SEK	861	861	860	1	—
Lease liabilities	SEK	776	776	193	583	—
Total			<u>4,277</u>	<u>1,053</u>	<u>584</u>	<u>2,640</u>
Interest payment**			<u>837</u>	<u>151</u>	<u>626</u>	<u>60</u>
Total			<u>5,114</u>	<u>1,204</u>	<u>1,210</u>	<u>2,700</u>

* The bond loan was raised in EUR. For the purpose of eliminating the currency risk, the capital liability and coupons were swapped to SEK and the STIBOR rate with the same maturity structure as the bond.

** The interest rate calculation is based on the STIBOR/swap rate on the balance-sheet date.

Credit facilities	Nominal	Used	Available
Other bank credits, incl. bank overdrafts	450	0	450
Warranty facility	200	71	129
Warranty facility, PRI	240	240	0
Total	<u>890</u>	<u>311</u>	<u>579</u>
Cash and cash equivalents available	407	—	407
Liquidity reserve	<u>1,297</u>	<u>311</u>	<u>986</u>

Group (MSEK) 2018	Currency	Amount	Total	<1 year	1–5 yrs	>5 yrs
Bank borrowings	SEK	1,725	1,725	—	1,725	—
Trade payables	SEK	835	835	835	—	—
Finance lease liabilities	SEK	291	291	81	210	—
Total			<u>2,851</u>	<u>916</u>	<u>1,935</u>	<u>—</u>
Interest payment			<u>342</u>	<u>72</u>	<u>270</u>	<u>—</u>
Total			<u>3,193</u>	<u>989</u>	<u>2,205</u>	<u>—</u>

* The interest rate calculation is based on the highest interest rate level on the interest rate tier, which is impacted by various conditions in the loan agreement (covenants). This loan was repaid in its entirety during the 2019 financial year.

Credit facilities	Nominal	Used	Available
Bank borrowings	1,725	1,725	—
Other bank credits, incl. bank overdrafts	435	—	435
Warranty facility	885	713	172
Total	<u>3,045</u>	<u>2,438</u>	<u>607</u>
Cash and cash equivalents available	411	—	411
Liquidity reserve	<u>3,456</u>	<u>2,438</u>	<u>1,018</u>

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Group (MSEK) 2017

	Currency	Amount	Total	<1 year	1–5 yrs	>5 yrs
Bank borrowings	SEK	1,142	1,142	47	1,095	—
Bank borrowings	NOK	138	138		138	—
Bank borrowings	SEK	91	91		91	—
Shareholder loans*	SEK	435	435			435
Shareholder loans*	NOK	148	148			148
Derivatives	SEK	—	—		—	—
Trade payables	SEK	665	665	665	—	—
Finance lease liabilities	SEK	237	237	65	172	—
Total			2,856	777	1,497	583
Interest payment			225	56	169	—
Total			3,081	833	1,666	583

* The shareholder loan runs with an interest rate of 10 per cent. The loans were settled during 2018 in connection with the refinancing.

Credit facilities	Nominal	Used	Available
Bank borrowings	1,280	1,280	—
Shareholder loans	583	583	—
Bank overdrafts	374	—	374
Warranty facility	925	698	227
Total	3,163	2,561	601
Cash and cash equivalent available	420	—	420
Liquidity reserve	3,583	2,561	1,022

Refinancing risk

Refinancing risk related to the risk that the Group does not have sufficient funds available when these are needed to refinance loans that fall due, or that the Group encounters difficulties in obtaining new facilities at a given point in time. Ensuring these needs requires both a strong financial position and active measures to ensure access to credits. The refinancing risk is managed through such measures as long-term borrowing.

Currency risk

Currency risk means the risk that fluctuations in exchange rates will have a negative impact on profit or loss, the statement of financial position and cash flows. Currency risk can be divided into transaction exposure and translation exposure. Transaction exposure consists of the net of operating and finance in and outflows in currencies. Translation exposure consists of the net assets of the Norwegian and Finnish subsidiaries, and their earnings in foreign currencies.

Sensitivity analysis — currency risk – translation exposure

An increase in the EUR/SEK exchange rate of five per cent would positively impact the Group's equity by SEK 3.4 million (2018: 4.6), whereas a similar increase in the NOK/SEK exchange rate would positively impact equity by SEK 2.8 million (2018: 8.0).

The Group is not exposed to any material transaction exposure while the sale and purchase in all material aspects is made in the respectively entities functional currency.

Interest rate risk

Interest rate risk means the risk that changes in interest rate levels negatively impacting the Group's net interest items and cash flows. Interest rate exposure arises primarily as a consequence of the Group's external interest bearing borrowings. Derivative financial instruments such as interest rate caps were used until 2017 to manage the interest rate risk.

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Sensitivity analysis — interest rate risk

The impact of an interest rate hike of 1 percentage point at the balance sheet date on interest revenue and interest expenses during the coming twelve-month period would total SEK 17.6 million (12.7), given the interest-bearing assets and liabilities existing on the balance-sheet date.

Credit risk

Credit risks in finance operations

Financial credit risk arises when cash and cash equivalents are invested, and in conjunction with trading in financial instruments. These are primarily counterparty risks in connection with receivables in banks and other counterparties that arise when purchasing derivative financial instruments. For other financial assets, the credit risk is assumed to correspond to the carrying amounts.

Credit risks in trade receivables

The risk that the Group's or company's customers cannot fulfil their commitments (i.e. payment is not received from customers) constitutes a customer credit risk. The Group's customers are subject to credit checks, in which information about the customers' financial position is obtained from various credit bureaus. The Group has prepared a credit policy for how customer credits are to be managed. It indicates, for example, where decisions are made on credit limits of various sizes, and how credits and doubtful receivables are to be managed. No individual customer represents 10 per cent of net revenue.

Effect of hedge accounting

The impact of hedge accounting on the consolidated statements of profit or loss and financial position is shown below.

	31 December 2019		Item in statement of financial position containing hedging instruments	January - December 2019		
	Nominal amount (mEUR)	Carrying amount		Change in hedging instruments recognized in other comprehensive income	Amount reclassified from hedge reserve to profit or loss	Items in profit or loss affected by the reclassification
Crosscurrency swap	250	38	Other long-term liabilities	38	-32	Financial costs
Age analysis, past due and unamortized trade receivables (MSEK)				2019	2018	2017
Current trade receivables				1,189	1,093	1,021
Past due trade receivables, 0–30 days				163	201	168
Past due trade receivables, >30–90 days				50	15	12
Past due trade receivables, >90–180 days				6	14	8
Past due trade receivables, >180–360 days				9	1	25
Past due trade receivables >360 days				5	7	5
Total				1,423	1,331	1,239
Reserve for expected credit losses (MSEK)				2019	2018	2017
Opening balance				17	25	30
Revaluation of loss allowances, net				-13	-20	-12
Acquisition of financial assets				1	1	0
Verified credit losses				-2	-2	-6
Provisions for the year				7	13	12
Closing balance				11	17	25

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Under IFRS 9, the Group must recognize credit losses earlier than under the rules in IAS 39. Assemblin and its subsidiaries have historically had low levels of verified customer losses, and it is believed this will remain unchanged in 2019 and beyond. In assessing expected credit losses, the receivables are divided into risk according to the number of days past due. The Group's major customers are subjected to credit checks through credit rating agencies, and the subsidiaries carefully monitor cancelled and delayed payments. The Group invoices customers on a rolling basis during the production period, which means that any credit losses are detected at an early stage. Advance invoicing is also applied in cases where it is considered necessary or called for. Trade receivables assume a large number of customers and projects in various industries and geographical areas. Contract assets total SEK 441 million (2018: 408) and relate to revenue that has been incurred but not invoiced. In light of the Group's historically low levels of credit losses, the impact from the impairment model under IFRS 9 is deemed to be insignificant.

(MSEK)	2019						Total
	Not due	0-30 days	30-90 days	90-180 days	180-306 days	>360 days	
Trade receivables, gross	1,189	163	50	6	9	5	1,423
Allowance for expected credit losses on trade receivables	—	0	-1	-2	-6	-2	-11
Trade receivables, net	<u>1,189</u>	<u>163</u>	<u>49</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>1,412</u>

(MSEK)	2018						Total
	Not due	0-30 days	30-90 days	90-180 days	180-306 days	>360 days	
Trade receivables, gross	1,093	201	15	14	1	7	1,331
Allowance for expected credit losses on trade receivables	-2	-2	-4	-5	-1	-2	-17
Trade receivables, net	<u>1,091</u>	<u>199</u>	<u>11</u>	<u>9</u>	<u>0</u>	<u>5</u>	<u>1,315</u>

Age analysis, trade payables (MSEK)	2019	2018	2017
Current trade payables	730	702	597
Past due trade payables, 0 - 30 days	123	126	68
Past due trade payables, >30 - 90 days	4	7	2
Past due trade payables, >90 - 180 days	2	1	2
Past due trade payables, >180 - 360 days	2	2	-4
Past due trade payables, >360 days	1	-3	0
Total	<u>861</u>	<u>835</u>	<u>665</u>

Note 18 – Non-current receivables and other receivables

Group (MSEK)	31 Dec 2019	31 Dec 2018	31 Dec 2017
Non-current receivables that are non-current assets			
Deposit, premises rentals	1	1	1
Other	2	1	1
Total	<u>3</u>	<u>2</u>	<u>2</u>
Other receivables that are non-current assets			
VAT receivables	14	10	9
Tax assets	67	45	35
Other	29	35	55
Total	<u>109</u>	<u>90</u>	<u>100</u>

No individual item under 'Other' exceeds 10 percent of the total amount.

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Note 19 – Measuring financial assets and liabilities at fair value

Measurement at fair value contains a measurement hierarchy regarding input data for the valuations. This measurement hierarchy is divided into three levels corresponding with the levels introduced in IFRS 13 Fair Value Measurement.

The three levels consist of:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has access to on the measurement date.

Level 2: Inputs other than the quoted prices included in Level 1, which are directly or indirectly observable for the asset or liability. This can also relate to inputs other than quoted prices that are observable for the asset or liability, such as interest rate levels, yield curves, volatility and multiples.

Level 3: Unobservable inputs for the asset or liability. At this level, the assumptions that market players would make use of in pricing the asset or liability, including risk assumptions, must be taken into consideration.

Classification of fair value

Derivatives are measured under Level 2 and recognized as financial assets at fair value through profit or loss.

Financial assets measured at fair value via other comprehensive income relate primarily to Elajo. Shares in Elajo are recognized at fair value 30 (2018 and 2017: 30). The valuation is executed according to level 3, since the valuation is based on non-observable inputs. The fair value has been calculated on the basis of a profit multiple based on operating profit. The profit multiple is derived based on Assemblin's experience in acquiring unlisted installation companies. In case the profit multiple and/or operating profit increases, the fair value will also increase.

For all other items, excluding bank borrowings, the recorded value is an approximation of the fair value, which is why these items are not divided into levels under the measurement hierarchy. Bank borrowings and Lease liabilities belong to Level 2. Loans to credit institutions and lease liabilities run with variable interest rates, which means that the value of the liabilities is not affected by changes in the base rate. The Group considers that there has also been no change in the credit margins that could materially affect the fair value of the liabilities for that reason the recorded value is also deemed to essentially correspond to the fair values. Shareholder loans run with fixed interest rates that are deemed to correspond to a market-based interest rate on the balance-sheet date, which is why the carrying amount is a reasonable approximation of fair value.

<i>Group (MSEK)</i> <i>31 Dec 2019</i>	Note	Financial assets/liabilities measured at amortized cost	Financial assets/liabilities measured at fair value through other comprehensive income	Financial liabilities measured at fair value through profit or loss	Total
Financial investments	16,17	—	34	—	34
Long-term receivables	18,19	3	—	—	3
Contract assets	20	441	—	—	441
Trade receivables	21	1,410	—	—	1,410
Other receivables	18	109	—	—	109
Accrued revenue	22	7	—	—	7
<i>Total</i>		<u>1,970</u>	<u>34</u>	<u>—</u>	<u>2,005</u>
Bond loans	23,17	2,608	—	—	2,608
Other interest-bearing liabilities		1	—	—	1
Derivatives		—	38	—	38
Trade payables		861	—	—	861
Contingent consideration	12	—	—	29	29
Other liabilities	26	22	—	—	22
Accrued costs	27	11	—	—	11
<i>Total</i>		<u>3,505</u>	<u>38</u>	<u>—</u>	<u>3,571</u>

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Group (MSEK) 31 Dec 2018	Note	Financial assets/liabilities measured at amortized cost	Measured at fair value through other comprehensive income	Other liabilities	Total
Financial investments	16,17	—	32	—	32
Long-term receivables	18,19	2	—	—	2
Contract assets	20	408	—	—	408
Trade receivables	21	1,315	—	—	1,315
Other receivables	18	90	—	—	90
Accrued revenue	22	0	—	—	0
Total		1,815	32	—	1,847
Bank borrowings	23,17	—	—	1,725	1,725
Other interest-bearing liabilities (leases)		—	—	291	291
Trade payables		—	—	835	835
Other liabilities	26	—	—	23	23
Accrued costs	27	—	—	53	53
Total		—	—	2,927	2,927

Group (MSEK) 31 Dec 2017	Note	Loans and trade receivables	Available-for-sale financial assets	Other liabilities	Total
Financial investments	16,17	—	32	—	32
Long-term receivables	18,19	2	—	—	2
Revenue generated, uninvoiced	20	389	—	—	389
Trade receivables	21	1,214	—	—	1,214
Other receivables	18	100	—	—	100
Accrued revenue	22	19	—	—	19
Total		1,724	32	—	1,756
Bank borrowings	23,17	—	—	1,371	1,371
Shareholder loans	23,17	—	—	583	583
Other interest-bearing liabilities (leases)		—	—	237	237
Trade payables		—	—	665	665
Other liabilities	26	—	—	34	34
Accrued costs	27	—	—	68	68
Total		—	—	2,959	2,959

Note 20 – Contract assets (designated in 2017 as revenue generated but uninvoiced)

Group (MSEK)	31 Dec 2019	31 Dec 2018	31 Dec 2017
Revenue generated on work not concluded	5,225	4,393	4,246
Invoicing on work not concluded	-4,784	-3,985	-3,858
Contract assets	441	408	389

Note 21 – Trade receivables

Trade receivables are recognized after taking customer losses totaling SEK 2 million (2018: 2, 2017: 6) in the Group into account.

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Note 22 – Prepaid expenses and accrued income

<u>Group (MSEK)</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
Accrued supplier bonuses	120	112	65
Accrued revenue	7	0	19
Prepaid rent	2	24	33
Prepaid licenses	12	11	0
Prepaid insurance premiums	2	11	4
Other items	15	12	9
Total	<u>158</u>	<u>170</u>	<u>130</u>

Note 23 – Interest-bearing liabilities

The following section provides information on the company's contractual terms regarding interest bearing liabilities. Major refinancing took place during the year, including amortization of the shareholder loans in their entirety. For more information on the company's exposure to interest rate risk and for changes in exchange rates, refer to Note 25.

<u>Group (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Non-current liabilities			
Bond loans	2,640	—	—
Remeasurement of loan	-32	—	—
Value of derivatives	38	—	—
Bank borrowings	—	1,701	1,273
Capitalized funding costs*	-49	—	—
Shareholder loans	—	—	583
Lease liability (2018 and 2017: Finance lease liabilities)	<u>583</u>	<u>210</u>	<u>172</u>
Total	<u>3,182</u>	<u>1,911</u>	<u>2,028</u>
Current liabilities			
Bank borrowings	1	—	47
Lease liabilities (2018 and 2017: Finance lease liabilities)	<u>194</u>	<u>81</u>	<u>65</u>
Total	<u>195</u>	<u>81</u>	<u>112</u>

<u>Terms and repayment periods</u> <u>(MSEK)</u>	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Maturity</u>	2019 <u>Nominal</u> <u>value</u>	<u>Carrying</u> <u>amount</u>
Bond loans	EUR	5.66%	15 May 2025	2,640	2,640
Capitalized funding costs	SEK	*		-49	-49
Current portion of lease liabilities**	SEK	**	31 Dec 2020	194	194
Non-current portion of lease liabilities**	SEK	**		** 583	583
Total interest-bearing liabilities				<u>3,368</u>	<u>3,368</u>

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants).

* Capitalized funding costs (SEK 49 million) paid on 6 December 2019.

** The lease liabilities are amortized over three to five years with interest rates of 1–1.8 per cent.

<u>Terms and repayment periods</u> <u>(MSEK)</u>	<u>Currency</u>	<u>Nominal</u> <u>interest rate</u>	<u>Maturity</u>	2018 <u>Nominal</u> <u>value</u>	<u>Carrying</u> <u>amount</u>
Bank borrowings	SEK	4.25%	7 Nov 2023	1,725	1,725
Capitalized funding costs	SEK	*		-24	-24
Finance lease liabilities**	SEK	**	31 Dec 2019	81	81
Finance lease liabilities**	SEK	**		** 210	210
Total interest-bearing liabilities				<u>1,993</u>	<u>1,993</u>

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Terms and repayment periods (MSEK)	Currency	Nominal interest rate	Maturity	2017	
				Nominal value	Carrying amount
Bank borrowings	SEK	3.75%	30 Oct 2021	206	206
Bank borrowings	SEK	4.25%	30 Apr 2022	158	158
Bank borrowings	SEK	4.75%	30 Oct 2022	230	230
Bank borrowings	SEK	4.25%	30 Apr 2022	548	548
Bank borrowings, NOK	NOK	5.00%	30 Apr 2022	138	138
Capitalized funding costs*	SEK	*		-52	-52
Bank borrowings	SEK	2.00%	30 Oct 2021	91	91
Shareholder loans	SEK	10.00%	28 Oct 2045	243	243
Shareholder loans	SEK	10.00%	28 Oct 2045	192	192
Shareholder loans	SEK	10.00%	28 Oct 2045	148	148
Finance lease liabilities**	SEK	**	31 Dec 2018	65	65
Finance lease liabilities**	SEK	**		** 172	172
Total interest-bearing liabilities				<u>2,140</u>	<u>2,140</u>

The liabilities are linked with certain conditions associated with earnings and financial position (known as covenants).

* Capitalized funding costs (SEK 25 million) paid on 7 November 2018.

** The finance leases are amortized over three to five years with interest rates of 1–1.3 per cent.

Finance lease liabilities IAS 17

Finance lease liabilities due for payment as below:

Group (MSEK)	2018			2017		
	Capital amount	Interest rate	Minimum lease expenses	Capital amount	Interest rate	Minimum lease expenses
Within one year	81	2	84	65	2	67
Between one and five years	210	3	213	172	2	174
Later than five years	0	0	0	0	0	0
Total	<u>291</u>	<u>6</u>	<u>297</u>	<u>237</u>	<u>4</u>	<u>241</u>

Credit limits (MSEK)

Group

	2019	2018	2017
Credit limit granted	450	435	374
Unused portion	450	435	374
Credit amount used	<u>—</u>	<u>—</u>	<u>—</u>
Credit limit granted, by country			
Sweden	450	435	374
Total credit limit granted	<u>450</u>	<u>435</u>	<u>374</u>

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Note 24 – Provisions

<u>Group (MSEK)</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
<i>Provisions that are non-current liabilities</i>			
Warranty commitments	98	105	98
Onerous leases	25	26	54
Other	48	7	8
Total	<u>172</u>	<u>138</u>	<u>160</u>
<i>Provisions that are current liabilities</i>			
Warranty commitments	10	15	27
Onerous leases	14	30	52
Other	53	5	20
Total	<u>76</u>	<u>49</u>	<u>99</u>
Provisions for warranty commitments (MSEK)	31 Dec 2019	31 Dec 2018	31 Dec 2017
Carrying amount at start of period	119	125	97
Amount acquired	2	1	—
Provisions made during the period	11	18	12
Amount claimed during the period	-14	-9	-1
Unused amount reversed during the period	-11	-21	-29
Transfers	—	3	46
Translation difference/other	0	1	0
<i>Carrying amount at end of period</i>	<u>108</u>	<u>119</u>	<u>125</u>
Provisions for onerous leases (MSEK)	31 Dec 2019	31 Dec 2018	31 Dec 2017
Carrying amount at start of period	56	106	170
Amount acquired	0	18	—
Provisions made during the period	6	12	13
Amount claimed during the period	-21	-51	-95
Unused amount reversed during the period	-2	-25	-20
Transfers	—	-4	38
Translation difference/other	0	0	0
<i>Carrying amount at end of period</i>	<u>39</u>	<u>56</u>	<u>106</u>
Other provisions (MSEK)	31 Dec 2019	31 Dec 2018	31 Dec 2017
Carrying amount at start of period	9	28	26
Provisions made during the period	219	12	43
Amount claimed during the period	-120	-28	-54
Unused amount reversed during the period	-7	-1	—
Transfers	—	0	13
Translation difference/other	0	0	0
<i>Carrying amount at end of period</i>	<u>101</u>	<u>11</u>	<u>28</u>
Total Group provisions (MSEK)	31 Dec 2019	31 Dec 2018	31 Dec 2017
Total carrying amount at start of period	184	259	294
Amount acquired	2	19	—
Provisions made during the period	235	41	67
Amount claimed during the period	-155	-88	-150
Unused amount reversed during the period	-19	-46	-50
Transfers	—	-1	97
Translation difference/other	0	2	0
<i>Total carrying amount at end of period</i>	<u>248</u>	<u>187</u>	<u>259</u>
Of which total non-current portion of provisions ...	172	138	160
Of which total current portion of provisions	76	49	99

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Warranty commitments

Provisions for warranties relate to assumed expenditures in the future for rectifying errors and shortcomings regarding concluded projects that arise during the warranty period for the projects. Provisions for warranties are primarily attributable to projects concluded in 2017, 2018 and 2019 whose warranty period is up to five years. The provision is based on calculations of historical warranty costs and known complaints. Further information concerning important assessments and estimates is provided in Note 30.

Onerous leases

For contract assignments where it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as a cost in its entirety. An onerous contract is a contract in which the unavoidable costs for meeting the obligations under the contract exceed the anticipated financial benefits. In addition, the Group also has several rental agreements for premises with long notice periods that remain unused as a result of reorganizations. Provisions have been made for the commitment to pay rental costs over the remainder of the contract period.

Other provisions

These provisions are based on individual risk evaluation and are primarily related to acquisitions and adjustments of acquisition balances. Future close-down costs related to the closure of unprofitable branches as a result of the profitability improvement projects last autumn are also included

Note 25 – Contract liabilities (designated in 2017 as revenue invoiced but not yet generated)

<u>Group (MSEK)</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
Invoicing on work not concluded	8,715	6,101	7,806
Revenue generated on work not concluded	<u>-8,004</u>	<u>-5,463</u>	<u>-7,278</u>
Contract liabilities	<u>712</u>	<u>638</u>	<u>529</u>

Note 26 – Other liabilities

<u>Group (MSEK)</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
VAT liability	63	57	48
Other	<u>25</u>	<u>23</u>	<u>34</u>
Total	<u>88</u>	<u>81</u>	<u>82</u>

Note 27 – Accrued expenses and prepaid income

<u>Group (MSEK)</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
Accrued social security costs			—
Personnel-related items	879	793	730
Accrued interest expenses	11	12	18
Other items	<u>62</u>	<u>41</u>	<u>50</u>
Total	<u>952</u>	<u>845</u>	<u>798</u>

Note 28 – Specification of cash flow statement

<u>Cash and cash equivalents — Group (MSEK)</u>	<u>31 Dec 2019</u>	<u>31 Dec 2018</u>	<u>31 Dec 2017</u>
The following subcomponents are included in cash and cash equivalents:			
Cash in hand and bank deposits	70	-173	107
Deposits in cash pooling	<u>337</u>	<u>584</u>	<u>313</u>
Total per the statement of financial position	<u>407</u>	<u>411</u>	<u>420</u>

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Interest paid and dividends received (MSEK)	1 Jan 2018 – 31 Dec 2019	1 Jan 2018 – 31 Dec 2018	1 Jan 2017 – 31 Dec 2017
Group			
Dividends received	19	2	1
Interest received	1	1	1
Interest paid	-126	-69	-77
Total	<u>-106</u>	<u>-66</u>	<u>-75</u>
Adjustments for items not included in the cash flow — Group (MSEK)	1 Jan 2018 – 31 Dec 2019	1 Jan 2018 – 31 Dec 2018	1 Jan 2017 – 31 Dec 2017
Group			
Depreciation and amortization of tangible and intangible assets	261	92	173
Unrealized exchange differences	—	17	4
Interest capitalized	—	59	54
Expensed arrangement fees, loans	25	53	12
Share of profits from partnerships	-1	-1	—
Changes in value of financial instruments	—	—	0
Provisions, newly raised and reversed	198	-14	18
Pension provisions	30	38	26
Changes in doubtful trade receivables	—	2	-13
Change in accrued interest	—	-7	-2
Capital gain/loss from fixed assets	-7	-13	-6
Other	-21	2	-3
Total	<u>484</u>	<u>228</u>	<u>263</u>

Opening/closing balance analysis for liabilities whose cash flows are recognized in financing activities

Group (MSEK)	31 Dec 2018	IFRS 16 Adjustments	Effect of acquisitions	Cashflows	Non-cash changes		31 Dec 2019
					Currency effect	Other	
Bank borrowings	1,725	—	—	-1,725	—	—	—
Bond loans	—	—	—	2,591	6	—	2,597
Acquisition loans	—	—	992	-992	—	—	—
Lease liabilities	—	761	—	-170	-4	189	776
Finance leases	291	-291	—	—	—	—	—
Total liabilities attributable to financing activities	<u>2,016</u>	<u>470</u>	<u>992</u>	<u>-296</u>	<u>3</u>	<u>189</u>	<u>3,374</u>

Group (MSEK)	31 Dec 2017	Cashflows	Non-cash changes		31 Dec 2018
			Currency effect	Interest capitalization	
Bank borrowings	1,371	341	12	—	1,725
Shareholder loans	583	-657	14	60	—
Total liabilities attributable to financing activities	<u>1,954</u>	<u>-316</u>	<u>27</u>	<u>60</u>	<u>1,725</u>

Group (MSEK)	31 Dec 2016	Cashflows	Non-cash changes		31 Dec 2017
			Currency effect	Interest capitalization	
Bank borrowings	1,407	-28	-7	—	1,371
Shareholder loans	537	—	-8	54	583
Total liabilities attributable to financing activities	<u>1,944</u>	<u>-28</u>	<u>-16</u>	<u>54</u>	<u>1,954</u>

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Note 29 – Companies included in the combined financial statements

In addition to Assemblin Financing AB (publ) (559077-5952) and Assemblin Holding AB (559025-2952), the following subsidiaries to Assemblin Holding AB are included in the combined financial statements.

Subsidiaries	Corp. ID no.	Domicile	Participation %
Assemblin Holding AB	559025-2952	Stockholm	100
Assemblin AB	559020-2551	Stockholm	100
Assemblin Sweden AB	556768-1530	Stockholm	100
Assemblin VS AB	556053-6194	Stockholm	100
– Bankeryds Rör AB	556276-5270	Bankeryd	100
– TKI Invest AB	556724-2234	Stockholm	100
– TKI Teknikinstallationer AB	556518-2176	Stockholm	100
– Ivarssons Rörläggari AB	556541-8679	Göteborg	100
– Lindahls Rör i Göteborg AB	556332-3186	Göteborg	100
– Svenssons Rörinstallation i Kinna AB	556440-2377	Mark	100
– Värmesvets Entreprenad i Eslöv AB	556485-5806	Eslöv	100
– Industri och Värmemontage Werme AB	556548-6411	Uppsala	100
– KP Svets & Smide AB	556345-3736	Uppsala	100
– NSM VS HB	969781-5158	Malmö	50
Assemblin El AB	556013-4628	Stockholm	100
– NSM EL HB	969780-9847	Malmö	50
– NIAB Norrlands Industrimontage AB	556896-6906	Sundsvall	100
Assemblin Ventilation AB	556728-9177	Malmö	100
– HVAC AB	556778-9010	Malmö	100
– Ventilation Totalplåt AB	556597-9092	Malmö	100
– Ventilation Östergötland AB	556510-3933	Linköping	1)
– Sydtotal AB	556131-6745	Jönköping	2)
– Polarluft AB	556944-6072	Malmö	100
– Assemblin Installation Vent AB	559077-5747	Solna	100
– JVT Vent AB	556680-2541	Stenungsund	100
Assemblin Holding AS	943623341	Oslo	100
Assemblin AS	965808752	Oslo	100
– Wennevolds Elektro AS	920860583	Oslo	1)
– Assemblin Innlandet AS	912543005	Oslo	100
Arve Hagen AS	998491487	Oslo	100
Ramsøy AS	979125321	Oslo	100
Gjøvik Varme og Sanitær AS	917593663	Oslo	100
Assemblin Oy	2064618-3	Helsingfors	100
– Trentec Team Oy	0850712-1	Helsingfors	1)
Assemblin Installation AB	556224-0944	Stockholm	100
Assemblin Umeå Ventilation AB	556627-6753	Umeå	100
Assemblin Umeå Holding AB	556595-6090	Umeå	100
Trignition 1 AB	559025-3026	Stockholm	100
Trignition 2 AB	559028-2900	Stockholm	100
Total			

1) Merged

2) Divested

Note 30 – Critical estimates and judgements

Company management has discussed the development and choice of the Group's critical accounting policies and estimates, the information concerning them, and the application of these policies and estimates with the Audit Committee.

Critical estimates

Certain critical estimates are described below.

Recognition of revenue over time

The reported earnings in ongoing contract projects are recognized over time on the basis of assignment expenditures incurred in relation to the total estimated assignment fees of the assignment. Costs associated with this are recognized in earnings as they arise. This requires reliable calculation of project revenue and project costs. The precondition is a properly functioning system for cost accounting, forecasting processes and project monitoring. The forecast regarding the project's final outcome is a critical judgement that is material to the operating report over the course of the project. There may be a risk that the final result as regards the project could deviate from what is recognized over time.

Pensions

Assemblin has partial defined-benefit pension plans. The pension obligations are calculated using actuarial assumptions, and plan assets are marked to market on the balance-sheet date. A change in any of these assumptions and measurements could have a significant impact on calculated pension commitments and pension costs.

Warranty provisions

In the Assemblin Group, warranty provisions are made for the warranty obligations found in the construction contracts being performed. A warranty expenditure arises in a project when a Group company performs additional work as a result of shortcomings that emerged in the original contract, in work performed or in materials. A warranty reserve is calculated based on the probable costs of correcting the faults that arose in the contract. The scope of the warranty provision is established based on:

- (a) previous experiences in similar projects;
- (b) the anticipated scope of the extra work; and
- (c) the estimated cost.

Onerous contract

When it is probable that total contract costs will exceed total contract revenue, the expected loss is immediately recognized as an expense in its entirety. An onerous contract is a contract in which the unavoidable costs for meeting the obligations under the contract exceed the anticipated financial benefits. The expected loss is immediately recognized as a cost in its entirety.

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Note 31 – Related parties

Relationship with related parties

The parent company has a related party relationship with its subsidiaries and the holdings in the subsidiaries are presented in Note 29. For other long-term liabilities and interest rates, refer to Notes 9 and 17, respectively.

Summary of related party transactions

<u>Purchase of goods/services (MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Triton Advisers Ltd. (other related party)	0	3	0
West Park Mgmnt Services Ltd. (other related party)	6	6	8
Total	<u>6</u>	<u>9</u>	<u>8</u>
<u>Other (e.g. interest rate, dividend)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Shareholder loans (parent company)	0	50	54
Total	<u>0</u>	<u>50</u>	<u>54</u>
<u>Amounts due to related parties</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Shareholder loans (parent company)	0	0	583
Total	<u>0</u>	<u>0</u>	<u>583</u>

Transactions with key persons in executive positions

For information on remunerations to key persons in executive positions, refer to Note 7.

Note 32 – Subsequent events

In 3 February 2020, the bond issued in December 2019 was listed on TISE (CI).

On 8 December 2020, Assemblin entered into a sale and purchase agreement to acquire Fidelix Holding Oy with subsidiaries. The acquisition is subject to regulatory approval from the Finnish competition authority and is expected to close in the first quarter of 2021. The company is based in Vanda, Finland, and provides climate smart building automation and management systems. The Fidelix group has 360 employees and annual revenue of SEK 540 million.

In addition to the Fidelix acquisition, the Group has acquired 20 entities after the balance sheet date of 31 December 2019. Individually, these acquisitions are not considered material, however, they are considered to be material in the aggregate. The considerations for the acquisitions are paid in cash and amount to SEK 485 million and are based on the assessed enterprise value subject to adjustment for net debt and working capital. For some of the acquisitions there are also contingent consideration arrangements with a maximum of SEK 139 million. The purchase price allocations are not finalized for the acquisitions.

<u>Unit acquired</u>	<u>Month of acquisition</u>	<u>Unit acquired</u>	<u>Month of acquisition</u>
Projekttuppdrag Syd AB	January 2020	Salon Kylmäpojat Oy	October 2020
Elservice i Åmål AB	April 2020	Karjalan Kylmäpalvelu Oy	October 2020
Örestadskyl AB	May 2020	FBI Fastighet och	
Botkyrka VVS &		Butikinstallationer AB	December 2020
Fastighetsservice AB	July 2020	Kalmar VVS- & EL-Montage AB	December 2020
El & Installationsteknik i		J Östling & C. Sparf El AB	December 2020
Stockholm AB	July 2020	Nor-Klima T. Svendsen AS	January 2021
SDC Stockholm Design &		EA Installationer AB	January 2021
Construction AB	July 2020	Åby Eltjänst AB	January 2021
Luftkompaniet Sjöblom AB	September 2020	TIS Tervell Installation och	
Mälardalens Fjärrvärme		Service AB	January 2021
Entreprenad AB	October 2020	Vantec System AB	January 2021
Essen Rör AB	October 2020		
KK-Kylmäpalvelu Oy	October 2020		

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Owing to the global spread of COVID-19 and the measures being taken around the world to fight the infection, the short-term market situation has become more uncertain. Assemblin Group is not among the section of industry that is most heavily affected, but is carefully monitoring the situation and adjusting its operations in accordance with developments. Over the long term, it is judged that demand for Assemblin's services will remain strong.

Note 33 – Parent Company information

Assemblin Financing AB is a Swedish limited company incorporated and domiciled in Stockholm. Its registered office is located at Västberga Allé 1, SE-126 30 Hägersten, Sweden

The combined financial statement for 2018 and 2017 consists of the Parent Company and its subsidiaries, together designated as "the Group". Assembling Financing AB is owned primarily by Ignition MidCo S.à.r.l. Its final owner is Triton Fund IV.

Note 34 – Alternative performance measures

This document contains alternative performance measures. These measures describe historical financial performance, but excludes or includes amounts that would not be adjusted for in the most comparable IFRS financial measure. The alternative performance measures are used internally by management, in conjunction with IFRS financial measures, to measure performance and make decisions regarding the future direction of the business. Management believes these alternative performance measures, when provided in combination with reported IFRS results, provide helpful supplementary information for investors. These measures are not a substitute for or superior to, and should be used in conjunction with, reported IFRS financial measures. In addition, the alternative performance measures, as defined by Assemblin, may not be comparable to other similarly titled measures used by other companies. Investors are cautioned not to place undue reliance on these alternative performance measures.

<i>Measure</i>	<i>Definition</i>	<i>Reason for use</i>
EBITA	Profit for the year excluding tax, net financial items, amortization of intangible assets.	EBITA provides an overview of the profitability of the operations.
Adjusted EBITA	EBITA adjusted for items affecting comparability	Adjusted EBITA provides an overview of the profitability of the operations adjusted to increase the comparability over time.
Items affecting comparability and impairment of right of use assets	Revenue and cost items that are reported separately due to their character and amount. The items consist of acquisition related costs and costs for integration of acquired businesses as well as more comprehensive restructuring programs, new establishments that occur on an irregular basis, and any net operating loss of newly set-up branches during their first twelve months of operation, during which start-up costs incurs relating to training, tooling and ramp-up of order backlog.	Separate reporting of items affecting comparability increases the comparability of profitability over time.

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Reconciliation

<u>(MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Profit for the year	92	143	22
Tax	40	77	-50
Net financial items	120	193	142
Operating profit	252	414	115
Amortization of intangible assets	18	3	76
EBITA	270	418	191
Items affecting comparability including impairment of right of use assets	246	-16	61
Adjusted EBITA	516	401	251

Items affecting comparability including impairment of right of use assets

<u>(MSEK)</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Acquisition, integration and start-up costs ^(a)	19	2	18
Restructuring costs ^(b)	171	3	15
Transformation cost ^(c)	24	—	9
Other adjustments ^(d)	31	-21	19
Sum	246	-16	61

- (a) Comprises (i) costs incurred in connection with certain bolt-on acquisitions, (ii) certain integration costs related to acquisitions and (iii) any net operating loss of newly set-up branches during their first twelve months of operation, during which start-up costs incurs relating to training, tooling and ramp-up of order backlog.

Costs incurred in the year ending 31 December 2019 consist of new branches with SEK 14 million and acquisition cost of SEK 5 million from acquisition of nine companies, four in Sweden, four in Norway and one in Finland.

Costs incurred in the year ending 31 December 2018 costs of costs incurred in connection with bolt-on acquisitions included SEK 2 million in connection with five acquisitions in Norway and Sweden.

Costs incurred in the year ending 31 December 2017 include integration costs of SEK 18 million in connection with the integration of Skanska Installation after being acquired in 2016.

- (b) Cost incurred in the year ending 31 December 2019 consist of both closure of unprofitable branches and redundancy of SEK 128 million and impairment of right of use assets relating to vacated premises of SEK 43 million.

Cost incurred in the year ending 31 December 2018 relates to legal restructuring.

Cost incurred in the year ending 31 December 2017 relates to headcount reductions in Finland of SEK 8 million and management severance costs of SEK 6 million.

- (c) Cost incurred in the year ending 31 December 2019 consist of transformation cost relating to IPO and exit readiness with SEK 14 million and provision for change of IT service provider of SEK 10 million.

Cost incurred in the year ending 31 December 2017 relates to SEK 9 million incurred in connection with improvement in our IT systems.

- (d) Cost incurred in the year ending 31 December 2019 consist of costs incurred in connection with refinancing of debt facilities SEK 31 million.

Cost incurred in the year ending 31 December 2018, comprises (i) the reversal of other income from settlement of a breach of warranty claim in our favor in connection with an acquisition SEK 25 million and (ii) costs incurred in connection with the refinancing of certain debt facilities SEK 4 million.

Cost incurred in the year ending 31 December 2017 comprises and impairment in relation to our IT systems.

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