



**Net Gaming Europe AB (publ)**

relating to the listing of

up to SEK 1,000,000,000

Senior Callable Floating Rate Bonds due 2020

ISIN: SE0010297572

**Issuing Agent and Sole Bookrunner**



Prospectus dated 27 October 2017

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Net Gaming Europe AB (publ) (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Stureplan 6, Stockholm, with reg. no. 556693-7255, in relation to the application for the listing of the senior secured callable floating rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on NASDAQ OMX Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). ABG Sundal Collier ASA has acted as issuing agent (the "**Issuing Agent**") and ABG Sundal Collier AB has acted as sole bookrunner (the "**Sole Bookrunner**") in connection with the issue of the Bonds. This Prospectus has been prepared in accordance with the standards and requirements of the Swedish Financial Instruments Trading Act (*Sw. lag (1991:980) om handel med finansiella instrument*) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website (fi.se) and the Issuer's website (netgaming.se).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 46 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**EUR**" refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to "**SEK**" refer to Swedish krona, and references to "**USD**" refer to American Dollars.

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

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

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

The offering is not made to individuals domiciled in Australia, Japan, Canada, Hong Kong, the Italian Republic, New Zealand, the Republic of Cyprus, the Republic of South Africa, the United Kingdom, the United States (or to any U.S person), or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

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

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

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## **RISK FACTORS**

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

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

### **Market specific risks**

#### **Political decisions, license requirements and uncertainty regarding future legislation**

Gaming operations, whether offered online or by using brick and mortar distribution, are strictly regulated by law in most jurisdictions, either by a state monopoly or by a licensing system. Therefore, the Group's operations are to a considerable extent influenced by political decisions and development in legislation. The legal situation for online gaming is continually changing in different national markets. National regulations are often in conflict with EU regulations, which creates an uncertain legal situation and some European markets are considered grey zones to operate in.

There is a risk that new interpretations of and changes to existing gaming laws and regulations, in combination with future case law from both national courts and the Court of Justice of the European Union, will have an adverse effect on the Group's operations, earnings or financial position. Proposed reforms can inter alia entail changes in taxation, the introduction of a national license system and changes to marketing laws. There is a risk that the rapid growth within the area of e-commerce would result in the introduction of more stringent consumer protection legislation. There is a risk that new legislation and rules and regulations for online-based operations will restrict the growth of e-commerce, including online gaming.

Moreover, EU-legislation that is directly applicable to online gaming services and the marketing of such services is currently limited. However, EU is aiming to strengthen the consumer protection in relation to online gaming, e.g. by issuing recommendations to the member states and there are examples of self-regulatory measures in relation to online gaming marketing at national level in some EU member states.

Traditionally, national authorities have, in countries where online gambling is deemed illegal according to national legislation, targeted only online gaming operators and in some cases service providers (mostly providers of games, payment solutions and internet services) to limit the accessibility to online gaming services for its residents. However, last year there have been some EU member states targeting other verticals within the industry, including affiliate marketing companies – a vertical that forms a large part of the Group's revenues. Even if the national authorities in most cases lack the power of enforcing national sanctions, there is a risk, if the trend continues, that it would have an adverse effect on the Group's business, earnings or financial performance.

There is a risk that any new legislation that is introduced for online gaming operations, whether on EU or national level, will have an adverse effect, both directly and indirectly, on the Group's business, earnings or financial position.

### **The economy, customer trends and negative publicity**

The Group's revenues are highly dependent on the customers' activity, which in turn is affected by the customers' economic situation and customer trends. There is a risk that a general downturn in the economy, will lead to a lower disposable income for the Group's customers, and have an impact on the customers' activity. There is also a risk that changes in customer preferences, such as e.g. types of games requested will lead to lower customer activity should the Group not be able to meet the new customer preferences. Such developments would have an adverse effect on the Group's business, earnings or financial performance.

The gaming market is a highly debated industry and the industry as a whole is dependent on social acceptance. Factors contributing to the declining acceptance of gaming would have a negative effect on the whole gaming industry and thus affect the Group adversely.

### **Competition**

The Group has a large number of competitors, some of whom have greater financial and operational resources than the Group. If the Group's competitors better adapt to new technical solutions or market trends or are able to offer their customers better services, there is a risk that they will prefer competitors' services over the Group's current and future services. Furthermore, the number of competitors on the online gaming market is increasing. The increase in competition among affiliates can lead to increased costs with regard to seeking out new customers, as well as retaining current customers. If any of these risks were to materialise, this would have an adverse effect on the Group's business, earnings or financial position.

### **Risks specific to the Group**

#### **Prohibitions of online gaming services in certain countries**

In certain countries it is prohibited to provide online gaming services, and in some cases it is prohibited for the customers to participate in online gaming activities even though the gaming operator is located in another country where it has legally been granted a license. There is a risk that authorities or courts in such countries would assess the Group's non-marketing activities to be sufficient in case customers in such countries access the services of the Group by actively search for and find the Group's website. Therefore, there is a risk that that national authorities or courts would try to fine or otherwise sanction the Group. This would have an adverse effect on the Group's business, earnings or financial position.

#### **Compliance with existing laws and regulations**

The Group conducts its business in several countries. An international presence can involve situations that give rise to compliance risks as the Group must observe different regulatory systems across a number of jurisdictions. The Group's operations involve risks of failure to comply with laws, regulations and licenses which would have an adverse effect on the Group's business, financial position and results of operation.

#### **Risks associated with a high reliance on search engines**

The Group relies on generating traffic to its various websites in order to obtain customers, and this is accomplished through inter alia the use of search engine optimisation (SEO). SEO is the collective term for different methods used to ensure that a certain website is ranked as high as possible when an internet user searches for specific keywords using search engines. The Group is highly reliant on maintaining an effective SEO, and as a result the Group has to offer websites with high quality content that rank highly in search engine results such as results on Google, Bing or Yahoo!. When Google, Bing, Yahoo! or other such search engines introduce new algorithms, affecting the ranking of websites in their search engine results, there is a risk that the Group will have to revise its online marketing strategies and alter its websites to make them compatible with the changes brought about by the algorithms. Some of the algorithmic updates affect search engine results in significant ways. Moreover, there is a risk that Google, Bing, Yahoo! or other such search engines will issue warnings or penalties in the form of lower rankings for websites that strategically circumvent the algorithms. Certain domains held by the Group have been penalised with restrictions by Google. If the Group fails to maintain an effective SEO and adjust its websites and marketing to new algorithms, this would have an adverse effect on the Group's business, earnings or financial position. Further there is a risk that search engines such as Google, Bing and Yahoo! will change or extend their operations to include services that are directly competing with the Group's services. There is also a risk that the search engines will implement strategies that are aimed at preventing SEO, which will affect the Group. Google, Bing and Yahoo! dominate the search engine market and have significantly larger financial resources than the Group, which means that the Group will have limited possibilities (if any) to prevent such a development.

Such a development would have an adverse effect on the Group's business, earnings or financial position. If the online gaming market is re-regulated, as it has been in e.g. the United Kingdom, companies operating on this market, e.g. the Group, will be able to use pay-per-click advertising in the course of their marketing. Because of this, there is a risk that the competition will increase in relation to obtaining high rankings in search engine results and this would have an adverse effect on the Group's business, earnings and financial position.

#### **Technical risks associated with the market and changes in customer behaviour**

In order to maintain the high popularity of the offered products and services, which is important for attracting and retaining customers, there is a need to update the products and services provided (including the technical platforms and systems) on an ongoing basis. There are changes in customer behaviour and preferences over time, which require updated offerings by the Group. A challenge is thus to follow the changes in customer behaviour and to adapt the services to meet the customers' demands. Should the Group fail to develop or purchase products and services that meet the customer demands, there is a risk that the Group lose business and revenues to its competitors, which in turn would have an adverse effect on the Group's business, financial position or results of operations.

There is furthermore a risk that the Group would need to allocate considerable resources to upgrade and replace its current technology systems if new technology is introduced on the market. If the Group is unable to adapt to these technological advances in a cost effective and prompt way, there is a risk that this has an adverse effect on the Group's business, earnings or financial position.

#### **There is a risk that the Group does not succeed in preserving and enhancing its brands**

The Group's success is in part dependent on the strength of its brand perception. The Group's brands put the Group at a competitive advantage in terms of the development of new and existing relationships with customers. The future success of the Group will be dependent on its ability and

efforts to preserve and enhance its brands and given the importance of trademarks and domain names of the Group, there is a risk that its future success is impaired, should the Group fail to build and maintain its brand perception. Further there is a risk that any other measures taken by the Group to preserve and enhance its brands, will be unsuccessful, or that the brand will be damaged if a third party acts in such a way which has an adverse effect on the Group. If the Group is unsuccessful in preserving or enhancing its brand, there is a risk that this will limit the Group's ability to retain and extend its customer base, which would have a significant adverse effect on the Group's business, financial position and results of operations.

A decline in the market appeal of the Group (including its brands) can possibly derive from, amongst other things, a poor product offering, negative publicity concerning the brands or the gaming market in general (whether or not it is justifiable) or lack of investments in the products in order to keep them updated and attractive for the customers. This would have an adverse effect on the Group's business, financial position or results of operations.

### **Payment solutions**

In order for customers to play online games through the Group they are required to register and open an account with the Group. There is a need for the Group to have payment solutions in place that suit its customers' needs and preferences, which can vary in different countries and between customers of different ages. Technical standards and solutions can also differ between countries. Deposits can be made in different currencies through inter alia, debit/credit cards and bank transfers. It is also important for the Group that it is easy for the customers to withdraw cash from their accounts. If the Group fails to offer the payment solutions and withdrawal methods preferred by existing and potential customers, there is a risk that the customers will use the services provided by the Group less frequently. Such a development would have an adverse effect on the Group's business, earnings or financial position.

Furthermore, the Group is dependent on the acceptance of payments for online gaming by credit card companies, banks and other financial institutions in order to provide its services towards its customers. Should there be a breakdown in these services, even for a short period of time, or if any of the large credit card companies, banks or other financial institutions were to no longer handle payments for online gaming in any or all of the countries in which the Group has customers, this would have an adverse effect on the Group's business, earnings or financial position.

### **Risk relating to the Group's IT-systems and gaming platforms**

The Group has developed its own online gaming platform, which is integrated with different gaming suppliers. Like all online services, the Group's systems can suffer from downtime. This can be a result of many different reasons, and can be both within and beyond the Group's control. In the event of downtime, the Group's sites or products can be partially or completely inaccessible to end users, which has an impact on the Group's earnings. There is a risk that potential interference, cyber-attacks or technical problems with the Group's servers results in a loss of earnings, reduced confidence in the Group, and claims for damages.

The Group has to some extent used open source code (open source software) when developing its online platform. Among the open source licenses that apply are GPL (General Public License) licenses. Some open source software licenses require developers who distribute open source software as part of their software to publicly disclose all or part of the source code to such software or make available any derivative works of the open source code on unfavorable terms or at no cost. The terms of various open source licenses have not been interpreted by courts, and there is a risk that such licenses could

be construed in a manner that imposes unanticipated conditions or restrictions on the Group's ability to market its games. Should the open source software be used in a manner that would require the Group to disclose its open source code or result in a breach of the terms of an open source agreement, the Group may be required to release its proprietary source code, pay damages for breach of contract, re-engineer its online platform, discontinue distribution in the event re-engineering cannot be accomplished on a timely basis or take other remedial action that may divert resources away from the Group's online platform development efforts, any of which could harm the Group's reputation, result in player losses, increase the Group's costs or otherwise have a material adverse effect on the Group's business, financial position and results of operation.

### **Processing of personal data**

The Group registers, processes, stores and uses personal data in the course of its business. It is of high importance that the Group registers, processes and uses personal data in accordance with applicable personal data legislation and requirements. A new European Union regulation regarding personal data will enter into force in 2018. There is a risk that failure to comply with the new regulation will result in significant fines. The new regulation will include stricter sanctions for breach of the regulation, and there is a risk that the fines will amount to the higher of MEUR 20 and four per cent of the global turnover. There is also a risk that breach of applicable data protection legislation would result in e.g. publicity issues and actions from the responsible authorities. Hence, if the Group is in breach of personal data legislation this would have a material adverse effect on the Group's business, earnings or financial position.

### **Trademarks and domain names**

The Group is currently offering its online gaming and affiliation marketing services through a number of websites which are of particular importance for the business. Trademarks and domain names are important parts of the Group's business as they are essential to attract users and create revenue to the gaming websites. Should some or any of the trademarks or domain names, used in the business of the Group, not be owned or controlled by the Group there is a risk that the future use of the domain names is not properly secured and that the Group will lose access to important domains in the future, resulting in adverse effects on the Group's, business, earnings or financial position.

Further, there is a risk that competitors or other third parties unlawfully seek to use or infringe the Group's intellectual property rights. In addition, there is also a risk that a third party assert, and acquire, better rights to intellectual property rights used by the Group. There is a risk that such actions result in disputes regarding the relevant intellectual property rights, resulting in adverse effects on the Group's business, financial position or results of operations.

### **The Group is dependent on external parties in order to conduct its business**

The Group is generally dependent on suppliers of technical solutions, game developers and game providers, Internet providers, providers of payment solutions and IT services, to conduct its business and ensure that they offer a continuous, high-quality service to its customers. If one or more of these external parties fails to perform their obligations to the Group, this would affect the Group's business, which would harm the Group's brand and reputation on the market, result in losses of revenues, affect the loyalty of its customers in the long-term and, by extension, also the Group's businesses, financial positions and results of operations.

If any of the above risks were to occur, this would have an adverse effect on the Group's business, financial position and results of operations.

**Ability to capitalise on existing customers and dependency on key customers**

The 10 largest customers represent approximately 58 per cent of the Group's turnover. Should the Group not be able to maintain its existing customers and otherwise capitalise on its customer base, it would result in decreased sales, which in turn would have an adverse effect on the Group's business, financial position and results of operation.

**Dependency on key employees**

The Group is dependent on the knowledge, experience and commitment of its employees for continued development. Furthermore, there is an ongoing need of recruiting and retaining staff with a high level of technical experience and expertise of the online gaming industry and the development of games and related technology. Should the Group lose key individuals, this would have an adverse effect on the Group's business, earnings and financial position.

**Cash management, anti-money laundering and fraud**

The Group handles a large number of financial deposits and payments within the ordinary course of business, and is therefore exposed to risks relating to money laundering and fraud. Should the Group fail to detect a fraud or money laundering activities by employees or customers, or is compelled to make a refund to an account because of, for example, a customer's bank or credit card is used by a third party, there is a risk that such refunds or similar payments will have an adverse effect on the Group's business, financial position or results of operations.

**Disputes and litigations**

As of the date of this Prospectus, the Group is not involved in any material disputes. There is however a risk that the Group will become involved in disputes or subject to other litigation in the future. Disputes of different kinds can be time consuming, disrupt normal operations, involve large amounts and result in considerable costs and reputational risks, which would have a negative effect on the Group's business, financial position and results of operation. There is a risk that people who suffer from an addiction to gambling will sue companies within the Group as a result of their gambling abuse. Even if such claims are overruled, they would give rise to substantial legal costs and loss of confidence in the Group, which by extension would lead to a reduction in earnings.

**Insurance coverage**

Although the Group has insurance coverage for its operations in Malta, there is a risk that the Group will sustain damages or incur liability claims that are not covered by insurance in whole or in part. Furthermore, there is a risk that claims against the Group, even if covered by the Group's insurance policies, will result in an increase in the Group's premiums. There is a risk that the Group will not be able to obtain new or maintain existing insurances in the future on acceptable terms, or at all. Not being adequately insured or significant increases in the Group's insurance premiums would have an adverse effect on the Group's business, financial position and results of operation.

**Limited contractual protection**

The share purchase agreement (the "**SPA**") regarding the acquisition of HLM Malta Ltd. and its subsidiaries ("**Highlight**"), which was completed in October 2016 (the "**Acquisition**") has given the Issuer a limited contractual protection in case there will be any breach under the warranties in the

SPA or any other covenant set out in the SPA since the SPA includes a non-tipping basket (meaning that the seller must indemnify the Issuer only for claims above a threshold amount) of approximately 4.4% of the purchase price under the SPA meaning that the Issuer will not be able to claim any amounts below such threshold. Should there be any claims under the SPA, the financial exposure for an amount up until such threshold will vest with the Issuer. Claims under the SPA will have a negative effect on the Group's business and financial position.

### **Risks related to the acquisition**

Following the Acquisition, Highlight provides a substantial part of the turnover of the Group. From a risk perspective, this means that the Group is highly dependent on the future success of Highlight. The Group is faced with the challenge of producing synergies from the Acquisition. There is a risk that the Group will fail in its plans to create synergies and there is also a risk that the integration becomes more burdensome and difficult than what management has predicted. If such problems arise it will have an adverse effect on the Group's business, earnings or financial position.

### **Financial risks**

#### **Transaction and exchange rate risks in the cash flow, income statement and balance sheet**

The Group reports in one currency but has other currencies as functional currencies. As the exchange rates fluctuates, these fluctuations lead to a transaction exposure as the transactions made in other currencies than the reporting currency needs to be recalculated into the reporting currency. This would have an adverse effect on the Group's business, earnings or financial position.

#### **Additional financing**

There is a risk that investments will need to be financed with additional financing such as taking new loans or issuing new equity. Access to additional financing is dependent on various factors, such as market conditions, the Group's creditworthiness and overall access to credit on the finance markets. Some of these factors are beyond the Group's control. There is a risk that the Group will be unsuccessful in procuring sufficient financing on favorable terms or in obtaining financing at all. This would have an adverse effect on the Group's business, financial position or results of operations.

#### **Tax-related risks**

The Group conducts business through its subsidiaries in Malta and Curacao. There is a risk that the Group's interpretation of applicable laws, provisions and judicial practice has been, or will be, incorrect in respect of taxation or that such laws, provisions and practice will be changed. If a change in legislation or practice or should the relevant tax authority challenge the Group's interpretation of applicable laws, there is a risk that the Group's tax liabilities will increase and/or lead to sanctions by the tax authorities, which would have an adverse effect on the Group's business, earnings and financial position.

#### **Risks related to the convertible loan**

On 11 October 2016, Net Gaming issued a SEK 140,000,000 convertible loan due on 11 October 2019 (the "**Convertible Loan**"). SEK 70,000,000 of the Convertible Loan has been repaid in connection with the issuance of the Bonds. Since the lenders under the Convertible Loan may choose not to convert the remainder of the Convertible Loan to shares in Net Gaming there is a risk that Net Gaming will have to repay the remaining outstanding loan amount in full as it falls due. Should this risk materialise

and that Net Gaming will have to repay the remaining of the outstanding loan in full this would have an adverse effect on the Group's liquidity and financial position.

### **Risks related to acquisitions**

From time to time, the Group evaluates potential acquisitions that are in line with the Group's strategic objectives. There is a risk that there will be unidentified risks in the target companies which would have an adverse effect on the Group's business, earnings or financial position.

The contemplated and future acquisitions presents certain financial, managerial and operational risks. If the ongoing or future acquisitions are not successfully integrated, there is a risk that the Group's business, financial condition and results of operations will be adversely affected. There is a risk that future acquisitions will result in dilutive issuances of the Group's equity securities, the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which would have an effect on the Group's business, earnings or financial position.

### **Risks relating to the Bonds**

#### **Credit risks**

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

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

#### **Refinancing risk**

There is a risk that the Issuer will be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debts is dependent on the conditions of the debt capital markets and its financial condition at such time. There is a risk that even if the debt capital markets improve, the Issuer's access to financing sources will not be available on favorable terms, or at all. The Issuer's inability to refinance its debt obligations on favorable terms, or at all, would have a material adverse effect on the Group's ability to repay the principal amount of the Bonds at maturity on the bondholders' recovery under the Bonds.

#### **Liquidity risks**

The Issuer (i) intends to apply for listing of the Initial Bonds on the corporate bond list of Nasdaq Stockholm within 60 days after the issue date of the Initial Bonds (and with an intention to complete listing within 30 calendar days after the issue date of the Initial Bonds) and (ii) intends to list any Subsequent Bonds within 20 days of the relevant issue date. However, there is a risk that the Bonds will not be admitted to trading within 60 days from the relevant issue date, or at all. If the Issuer fails to procure listing within 60 days from the relevant issue date, investors holding Bonds on an investment savings account (Sw. ISK or IS-konto) will no longer be able to hold the Bonds on such account, thus affecting such Investor's tax situation. Further, even if securities are admitted to trading on a regulated market, active trading in the securities does not always occur and hence there is a risk

that a liquid market for trading in the Bonds will not exist or is maintained even if the Bonds are listed. There is a risk that the holders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. There is a risk that lack of liquidity in the market will have a negative impact on the market value of the Bonds. Furthermore, there is a risk that the nominal value of the Bonds will not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on the regulated market.

It should also be noted that during a given time period there is a risk that it will be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

### **There is a risk that the market price of the Bonds will be volatile**

The market price of the Bonds is subject to significant fluctuations in response to actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, would adversely affect the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

### **Interest rate risk**

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

### **Ability to service debt**

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

### **Risks relating to the transaction security and the guarantees**

Although the Group's obligations towards the bondholders under the Bonds are secured and, to a limited extent, guaranteed, there is risk that the proceeds of any enforcement sale of the security assets and claims under the guarantees will be insufficient to satisfy all amounts then owed to the bondholders. Furthermore, if the Issuer issues additional Bonds, there is a risk that the security position of the current bondholders will be impaired.

The bondholders are represented by Nordic Trustee & Agency AB (publ) (the "**Security Agent**") in all matters relating to the transaction security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security. The transaction security is subject to certain hardening periods during which times the bondholders do not fully, or at all, benefit from the transaction security. The Security Agent shall take enforcement instructions from the bondholders. However, it is possible that the Security Agent will act in a manner that is not preferable to the bondholders.

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

There is a risk that transaction security and guarantees which are granted to secure the Bonds will be unenforceable or enforcement of the security and claims under the guarantees will be delayed according to Swedish law or any other applicable laws. There is a risk that the enforceability of the transaction security and claims under the guarantees will be subject to a certain degree of uncertainty. There is also a risk that applicable law require that a security interest in certain assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party or the security provider. Further, there is a risk that the transaction security will not be perfected if the Security Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. There is a risk that such failure will result in the invalidity of the relevant transaction security or adversely affect the priority of such security interest in favor of third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same transaction security.

If the Issuer were to be unable to make repayment under the Bonds and a court was to render a judgment that the security which will be granted in respect of the Bonds was unenforceable, there is a risk that the bondholders will find it difficult or impossible to recover the amounts owed to them under the Bonds. Therefore, there is a risk that the security and the guarantees which will be granted in respect of the Bonds will be ineffective in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent.

In addition, there is a risk that any enforcement will be delayed due to any inability to sell the security assets in a timely and efficient manner.

#### **Risks relating to the enforcement of the transaction security**

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

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

### **Corporate benefit limitations in providing security and guarantees for third parties**

If a limited liability company provides security or a guarantee for another party's obligations without deriving sufficient corporate benefit therefrom, the granting of such security or guarantee will require the consent of all shareholders of the grantor and will only be valid up to the amount the company could have distributed as dividend to its shareholders at the time the security was provided. If no corporate benefit is derived from the security or the guarantee provided, the security and the guarantee will be limited in validity. Consequently, any security or guarantee granted by a subsidiary of the Issuer will therefore be limited which would have an adverse effect on the bondholders' security position.

### **Security over assets granted to third parties**

There is a risk that the Issuer and its subsidiaries will, subject to certain limitations from time to time, incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, re-organisation or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security. For information on similar events of a subsidiary, please refer to the risk factor "Insolvency of subsidiaries and structural subordination".

### **Risks related to early redemption**

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

### **No action against the Issuer and bondholders' representation**

In accordance with the final Terms and Conditions, the Nordic Trustee & Agency AB (publ) (the "**Trustee**") represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer and therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, the possibility that a bondholder, in certain situations, will bring its own action against the Issuer (in breach of the terms and conditions for the Bonds) cannot be ruled out, and there is a risk that this would negatively impact an acceleration of the Bonds or other action against the Issuer. To enable the Trustee to represent bondholders in court, there is a risk that the bondholders have to submit a written power of attorney for legal proceedings and that the failure of all bondholders to submit such power of attorney will negatively affect the legal proceedings. Under the final Terms and Conditions of the Bonds, the Trustee will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Trustee in such matters will impact a bondholder's rights under the Terms and Conditions for the Bonds in a manner that would be undesirable for some of the bondholders.

There is a risk that a failure by the Trustee to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders due to, for example, inability to receive any or all amounts payable from the transaction security in a timely and efficient manner.

### **The rights of bondholders depend on the Trustee's actions and financial standing**

By investing in the Bonds, each holder of a Bond will accept the appointment of the Trustee to act on its behalf and to perform administrative functions relating to the Bonds. The Trustee shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Trustee as the representative of the holders of the Bonds are subject to the provisions of the terms and conditions for the Bonds and the agency agreement, and there is no specific legislation or market practice in Sweden (under which laws the terms and conditions for the Bonds are governed) which would govern the Trustee's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Trustee to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders. Under the terms and conditions for the Bonds, the funds collected by the Trustee as the representative of the holders of the Bonds must be held separately from the funds of the Trustee and be treated as escrow funds to ensure that in the event of the Trustee's bankruptcy, such funds can be separated for the benefit of the holders of the Bonds. In the event the Trustee would fail to separate the funds in an appropriate manner, there is a risk that the funds will be included in the Trustee's bankruptcy estate.

There is a risk that the Trustee will be replaced by a successor Trustee in accordance with the terms and conditions which governs the Bonds. Generally, the successor Trustee has the same rights and obligations as the retired Trustee. There is a risk that it will be difficult to find a successor Trustee with commercially acceptable terms or at all. Further, it cannot be excluded that the successor Trustee would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

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

### **Bondholders' meetings**

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

### **Restrictions on the transferability of the Bonds**

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds is not allowed to offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. Each potential investor should read the discussion under the heading "Important

information" for further information about the transfer restrictions that apply to the Bonds. It is the bondholder's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

### **Amended or new legislation**

The terms and conditions of the Bonds are governed by Swedish law in effect as at the date of issue of the Bonds. No assurance can be given as to the impact of any possible judicial decision or change to Swedish law or administrative practice after the date of issue of the Bonds.

### **The Issuer is dependent on its subsidiaries**

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds. The Issuer's subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments. The ability of the Issuer's subsidiaries to make such payments to the Issuer is subject to, among other things, the availability of funds. Should the Issuer not receive sufficient income from its subsidiaries, there is a risk that the investor's ability to receive payment under the terms and conditions which governs the Bonds will be adversely affected.

### **Insolvency of subsidiaries and structural subordination**

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. There is a risk that defaults by, or the insolvency of, subsidiaries of the Issuer will result in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group. The Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Further, the Group operates in various jurisdictions and in the event of bankruptcy, insolvency, liquidation, dissolution, reorganisation or similar proceedings involving the Issuer or any of its subsidiaries, bankruptcy laws other than those of Sweden could apply. The outcome of insolvency proceedings in foreign jurisdictions is difficult to predict and there is a risk that this will have a material and adverse effect on the potential recovery in such proceedings.

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

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

There is a risk that malfunction or delay in the book-entry securities system or failure by any relevant party will result in the transaction involving the Bonds not taking place as expected or being delayed. There is a risk that this will cause financial losses or damage to the bondholders whose rights depended on the timely and successful completion of the transaction.

Neither the Issuer, the Group nor any other third party assumed any liability for the timely and full functionality of the book-entry securities system. Payments under the Bonds will be made in accordance with the laws governing the book-entry securities system, the rules of Euroclear Sweden and the Terms and Conditions. For the purposes of payments under the Bonds, it is the responsibility of each investor to maintain with its respective book-entry account operator up to date information on applicable bank accounts.

## THE BONDS IN BRIEF

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

<b>Issuer</b> .....	Net Gaming Europe AB (publ)
<b>Bonds Offered</b> .....	The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 1,000,000,000. The Issuer may choose not to issue the full amount of Bonds on an Issue Date and may choose to issue the remaining amount of Bonds at one or more Subsequent dates. At the date of this Prospectus, an initial amount of Bonds of SEK 375,000,000 had been issued on the First Issue Date on 14 September 2017.
<b>Number of Bonds</b> .....	Maximum 1000.
<b>ISIN</b> .....	SE0010297572.
<b>First Issue Date</b> .....	14 September 2017.
<b>Issue Price</b> .....	100 per cent.
<b>Interest Rates</b> .....	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 7.25 per cent. per annum. If STIBOR rate is below zero (0), STIBOR will be deemed to be zero (0) (for a historic development of STIBOR, please see <a href="http://riksbank.se/en/interest-and-exchange-rates/search-interest-rates-exchange-rates/">riksbank.se/en/interest-and-exchange-rates/search-interest-rates-exchange-rates/</a> ).
<b>Interest Payment Dates</b> .....	14 December, 14 March, 14 June and 14 September of each year commencing on 14 December 2017. Interest will accrue from (but excluding) the First Issue Date.
<b>Nominal Amount</b> .....	The Bonds will have a nominal amount of SEK 1,000,000 and the minimum permissible investment in the Bonds is SEK 1,000,000.
<b>Status of the Bonds</b> .....	The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

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

- will at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured

obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law; and

- are guaranteed by the Guarantors (as defined below).

**Guarantees**..... The Issuer's obligations under the Bonds are jointly and severally guaranteed (the "**Guarantee**") by each of:

- HLM Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-75337;
- Rock Intention Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49286;
- Match Publications Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49465;
- Chance Publications Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49284; and
- PokerLoco Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-51645.

each a "**Guarantor**" and jointly the "**Guarantors**".

Upon completion of the pending mergers of Match Publications Malta Ltd., Chance Publications Malta Ltd. and Rock Intention Malta Ltd., with Rock Intention Malta Ltd. as the surviving entity, the guarantees granted by Match Publication Malta Ltd. and Chance Publication Malta Ltd. under the Guarantee and Adherence Agreement will be released.

See "*Description of Material Agreements – Guarantee Agreement*" and "*Overview of Group Structure*" for further details.

**Ranking of the Guarantees**.. The Guarantee of each Guarantor is a general obligation of such Guarantor and:

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

The Guarantees are subject to certain limitations under local law.

- Security .....** The Bonds are secured by security interests granted on an equal and rateable first-priority basis over the share capital of certain Group Companies and other assets of the Group. See the definition of "**Security Documents**" in Clause 1.1 (*Definitions*) and clause 10 (*Transaction Security and Guarantee*) of the Terms and Conditions.
- Call Option.....** The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Make Whole Amount or Call Option Amount, as applicable, in accordance with Clause 9.3 (*Voluntary Total Redemption (call option)*) of the Terms and Conditions.
- Call Option Amount .....** Call Option Amount means:
- (a) 103.625% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the First Call Date to, but not including, the date falling 24 months after the First Issue Date; and
  - (b) 102.175% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 24 months after the First Issue Date to, but not including, the date falling 30 months after the First Issue Date.

- (c) subject to paragraph (d) below, 100.725% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the Final Redemption Date.
- (d) 100% of the Outstanding Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 33 months after the First Issue Date to, but not including, the Final Redemption Date, provided that the redemption is financed to 100% by way of one or several Market Loan issues.

**Make Whole Amount.....** Make Whole Amount means a price equivalent to the sum of:

- (a) the Nominal Amount;
- (b) the present value on the relevant record date of the remaining coupon payments (assuming that the interest rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date until the First Call Date plus the applicable Floating Rate Margin), less any accrued but unpaid interest, through and including the First Call Date;
- (c) the present value on the relevant record date of the remaining coupon payments, less any accrued but unpaid interest, through and including the First Call Date; and
- (d) accrued (but unpaid) Interest on the redeemed amount.

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

**First Call Date.....** Means the date falling 18 months after the First Issue Date.

**Final Redemption Date.....** Means 14 September 2020.

**Change of Control.....** Upon a Change of Control Event, each Bondholder shall have the right to request that all, or some only, of its Bonds

be redeemed at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest.

**Change of Control Event.....** The occurrence of an event or series of events whereby:

- (a) the Main Shareholder decrease its ownership to such extent it no longer controls the Group; or
- (b) one or more persons, acting together, acquire control over the Group;

and in both cases "**control**" means (a) directly or indirectly, controlling more than 50.00 per cent. of the voting shares of the Group, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Group.

**Certain Covenants.....** The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, *inter alia*:

- restrictions on making any changes to the nature of their business;
- a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);
- restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and
- limitations on the making of distributions and disposal of assets.

The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt.

The Terms and Conditions contains the following financial covenants:

The Issuer shall ensure that at all times:

- (a) the ratio of Senior Net Interest Bearing Debt to EBITDA is not greater than:
  - (i) 4.00 from and including the First Issue Date to and excluding the date falling 1 year after the First Issue Date; and

(ii) 3.50 from and including the date falling one (1) year after the First Issue Date to and excluding the Final Redemption Date,

(b) the Ratio of EBITDA to Net Finance Charges exceeds 2.25

calculated in accordance with the calculation principles set out in Clause 12.5 (*Calculation Adjustments*) on a consolidated basis and based on the most recently delivered Financial Report.

Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.

<b>Use of Proceeds .....</b>	The Issuer shall use the proceeds from the issue of the Bonds issued on the First Issue Date, less the costs and expenses incurred by the Issuer in connection with the issue of the Bonds, to (i) repay the Existing Bonds in full and the Convertible Loan in part, (ii) pay Transaction Costs and (iii) to finance general corporate purposes.
<b>Listing.....</b>	Application has been made to list the Bonds on Nasdaq Stockholm.
<b>Agent.....</b>	Nordic Trustee & Agency AB (publ).
<b>Security Agent .....</b>	Nordic Trustee & Agency AB (publ).
<b>Issuing Agent .....</b>	ABG Sundal Collier ASA.
<b>Governing Law of the Bonds</b>	Swedish law.
<b>Governing Law of the Guarantee Agreement.....</b>	Swedish law.
<b>Risk Factors.....</b>	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 23 August 2017, and the Initial Bonds were subsequently issued by the Issuer on 14 September 2017. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

The board of directors of the Issuer is responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and the Issuing Agent has conducted no efforts to confirm or verify the information supplied by the Issuer. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

27 October 2017

Net Gaming Europe AB (publ)

*The board of directors*

## DESCRIPTION OF MATERIAL AGREEMENTS

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

### Convertible loan

At an extraordinary general meeting of Issuer, held in November 2016, it was resolved to issue convertible debt instruments in an aggregate principle amount of SEK 140,000,000. The loans carry interest at an interest rate of 9.5 per cent. p.a. and interest is paid semi-annually. Termination date is 11 October 2019. The holders of the convertible debt instruments may convert their debt instrument to shares in the Issuer at a conversion price of SEK 4,50 per share. The convertible loan issue was directed to Trottholmen AB, Highlight Media Holdings Ltd, Claes Teilman, Kerstin Holmström Teilman, Rambo Invest AB, Corpus Vile AB, Asara Holding Limited, Lars-Olof Larsson, Br Larssons Leasing AB, Marcus Petersson, Praetorium AB, Patrik Gustafsson, Peak Core Strategies, JRS Asset Management and Varenne AB. The convertible loan is subordinated to the Bonds in accordance with the convertible loan terms and with the terms and conditions governing the Bonds. SEK 70,000,000 of the Convertible Loan has been repaid in connection with the Initial Bond issue.

### Guarantee Agreement

The Guarantors and the Issuer have entered into a guarantee agreement with the Security Agent dated 28 September 2017 (the "**Guarantee Agreement**"), pursuant to which the Guarantors have agreed to jointly and severally guarantee the Group's obligations as follows:

- the full and punctual payment and performance within applicable grace periods of all present and future obligations and liabilities of the Issuer and the Guarantors, including all payment of principal of, and premium, if any, and interest under the Finance Documents when due, whether at maturity, by acceleration, by redemption or otherwise, and interest on any such obligation which is overdue, and of all other monetary obligations of the Issuer or Guarantors to the Secured Parties;
- the full and punctual performance within applicable grace periods of all other obligations and liabilities of the Issuer or Guarantors under the Finance Documents; and
- the full and punctual performance of all obligations and liabilities of the Issuer or Guarantors under any Finance Document (as defined in the Terms and Conditions) to which it is a party.

The Guarantees are subject to certain limitations imposed by local law requirements in certain jurisdictions.

### Subordination Agreement

The Issuer and the subordinated creditor have entered into a subordination agreement with the Security Agent dated 28 September 2017 (the "**Subordination Agreement**"). The subordinated creditor has, as per the date of this Prospectus, granted shareholder loans to the Issuer in a principal amount of SEK 2,000,000 (including incurred and unpaid interest). In addition, the subordinated creditor and any other shareholder may grant further shareholder loans to the Issuer in the future.

In accordance with the Subordination Agreement, the Bondholders and the Agent and subordinated creditor agree that their respective claims against the Issuer shall rank in the following order of priority:

- i. first, all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents (including for the avoidance of doubt, all obligations and liabilities under the Bonds) and the Agency Agreement (as defined in the Terms and Conditions); and
- ii. second, the shareholder loan.

### **Share purchase agreement**

In connection with completion of the Acquisition, the Issuer paid an initial consideration of SEK 280 million to the seller. In addition to the initial consideration, the Seller has been paid approx. 7.2 MEUR in Earn-out payment, based on the Group's 2016 EBITDA. The Seller may be entitled to additional consideration in a maximum amount of EUR 5.5 million based on the Group's 2017 EBITDA.

## DESCRIPTION OF THE GROUP

### History and development

The Issuer's legal and commercial name is Net Gaming Europe AB (publ) and is a Swedish public limited liability company incorporated under the laws of Sweden since 14 December 2005 with reg. no. 556693-7255. The registered office of the Company is Box 7385, 103 91 Stockholm and the Company's headquarters is located at Stureplan 6, 114 35 Stockholm with telephone number +46 8 410 380 44, whereas the operating holding subsidiary is based in Gżira, Malta.

The following companies are Guarantors.

- (a) HLM Malta Ltd. (legal and commercial name), is a private limited liability company incorporated under the laws of Malta since 21 April 2016 with company registration number C-75337;
- (b) Rock Intention Malta Ltd. (legal and commercial name), is a private limited liability company incorporated under the laws of Malta since 30 March 2010 with company registration number C-49286;
- (c) Match Publications Malta Ltd. (legal and commercial name), is a private limited liability company incorporated under the laws of Malta since 23 April 2010 with company registration number C-49465;
- (d) Chance Publications Malta Ltd. (legal and commercial name), is a private limited liability company incorporated under the laws of Malta since 30 March 2010 with company registration number C-49284; and
- (e) PokerLoco Malta Ltd. (legal and commercial name), is a private limited liability company incorporated under the laws of Malta since 12 January 2011 with company registration number C-51645.

In accordance with the articles of association of the Company, adopted on 19 May 2017, the objects of the Company are to offer consultancy services within IT, management and, through its subsidiaries, iGaming, the online affiliate market and to conduct business related thereto.

### *History of Net Gaming*

2005	<ul style="list-style-type: none"> <li>▪ Launched Eurobet.com brand as a franchise within the Nordic countries</li> <li>▪ Philip Linde was the CEO at that time.</li> </ul>
2007	<ul style="list-style-type: none"> <li>▪ Launched own brand FishNChips.com</li> </ul>
2009	<ul style="list-style-type: none"> <li>▪ Acquired Stingbet.com, changed name to Stingbet Holding AB</li> <li>▪ Gustaf Hagman appointed new CEO.</li> <li>▪ Listed on AktieTorget</li> <li>▪ Acquired a number of smaller brands</li> </ul>
2010	<ul style="list-style-type: none"> <li>▪ Acquired a number of smaller brands</li> </ul>
2011	<ul style="list-style-type: none"> <li>▪ Acquired PokerLoco.com, a niche poker site founded in 2005 with a strong Latin American focus</li> <li>▪ Jakob Kegel succeeded Gustaf Hagman as CEO.</li> </ul>
2012	<ul style="list-style-type: none"> <li>▪ Marcus Teilman Appointed CEO</li> </ul>
2013	<ul style="list-style-type: none"> <li>▪ Launched new brand CasinoLoco.com that was developed in-house as a development of PokerLoco.com</li> </ul>

2014	<ul style="list-style-type: none"> <li>▪ Switched poker network from Ogame to Microgaming</li> <li>▪ Launched in-house developed platform on own gaming license – allowing for better localised websites and more payment options for customers</li> <li>▪ Integrated over 400 additional casino games developed by Microgaming</li> </ul>
2015	<ul style="list-style-type: none"> <li>▪ Launched Live Casino; new product from gaming developers Ezugi and Netent that will improve playing experience for casino customers and improve the competitive position of Net Gaming</li> <li>▪ The gaming brands surpassed 975,000 registered customers</li> </ul>
2016	<ul style="list-style-type: none"> <li>▪ Completed the acquisition of HLM Malta Ltd.</li> </ul>

## Business and operations

### Introduction

The Company and its subsidiaries are focusing on operating activities primarily within the online casino and online poker sectors. The Company provides high-value iGaming leads via its subsidiary HLM Malta Ltd. (“**HLM**”) and HLM’s subsidiaries. The Company's other subsidiary, PokerLoco Malta Ltd (“PokerLoco”), is an iGaming operator currently focusing operational activities on two brands: (i) PokerLoco, an online poker operator active worldwide and (ii) CasinoLoco, an online casino operator catering to customers globally. The Company currently has a gambling license in Curacao. Total number of registered customers amount to approximately one million. The overreaching business idea for the Company is to invest in and continue to develop fast growing companies in the online segment and to generate long-term revenue and profit growth in a responsible way via subsidiaries, in order to maximize the shareholders' value. The goal is that the Company should grow faster than the market within the online gambling segment. The goal for HLM is to be the leader of creating high-value iGaming leads.

### Business operations, structure and strategy

The current structure and strategy of the Group materialised in 2011 as the niche poker site PokerLoco was acquired. The domain was acquired from PokerLoco Nordic S.A., who launched the website in 2005 with a clear focus on the Latin American market from onset. Leveraging the strong brand of PokerLoco, Net Gaming launched CasinoLoco 2013, a niche site offering casino games worldwide. Since CasinoLoco was established, Net Gaming has focused almost exclusively on developing the two sites CasinoLoco and PokerLoco, both in terms of contents for existing sites, and for expanding into new geographical markets. Notable examples of improving the content has been adding approximately 400 new casino games during 2014 for the CasinoLoco homepage, and launching Live Casino in 2015 which allows the player to bet against a live croupier on a streaming video feed.

PokerLoco is an online gaming operator, focusing on casino and poker games. The iGaming operations are concentrated to the brands PokerLoco for poker games and CasinoLoco for casino games. PokerLoco has a worldwide geographical focus with historical concentration to Latin America and the Nordics. The main business operations are carried out by PokerLoco Malta Ltd, which is located in Gżira, Malta. A small and decision-driven employee organisation of approximately nine full time employees operates the company on a day to day basis on Malta. CasinoLoco was founded in 2013 by PokerLoco in order to expand into the online casino segment. The goal has consistently been to become a strong player in the Nordic region.

HLM Malta Ltd. and its subsidiaries (jointly the “**Highlight Group**”), is operating within iGaming lead generation and internet marketing sectors, dedicated to direct end-users through online and mobile

channels to the customers' websites. In addition to the main targeted segments of online poker and online casino, the Highlight Group is also targeting the mortgage loan and web-hosting sectors.

The strategy is to grow organically or through acquisitions both within and outside Europe. Targeted companies should be gaming operators with stable business fundamentals and cash flow generation, or enable tangible synergies with the existing business operations. In addition, a larger company size will allow for cost saving in terms of negotiations with suppliers, etc.

### **Share capital and ownership structure**

The shares of the Company are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Company had an issued share capital of SEK 16,311,473.62 divided into 62,736,437 of shares.

#### *Major shareholder*

Trottholmen AB – 43,383,494 shares, constituting 71.04 per cent. of the share capital and 71.04 per cent. of the votes. As per 30 June 2017.

Trottholmen AB is owned by Henrik Kvick who is an investor and chairman of the Company's board since 2012. Henrik Kvick is also the chairman of the board and founder of NetJobs Group AB (publ), a company listed on Nasdaq OMX First North.

#### *Management shareholders*

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

- Marcus Teilman – 37,003 shares and 1,300,000 options.
- Erik Gjerde – 0 shares and 300,000 options.
- Sirp De Wit – 0 shares and 300,000 options.
- Jonas Petersson – 5,000 shares and 250,000 options.

### **Arrangements between shareholders**

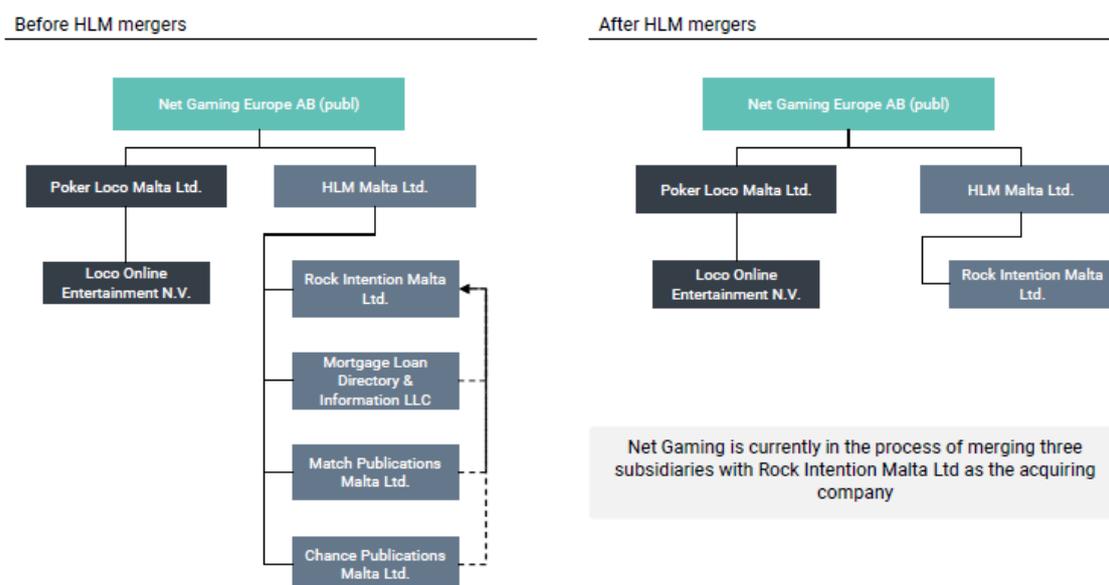
The Issuer is not aware of the details of any provision in the arrangement between its shareholders, the operation of which may at a subsequent date result in a change in control of the Issuer.

### **Overview of Group structure**

The Issuer is the parent company and has, directly and indirectly, 7 wholly-owned subsidiaries. Before the acquisition of Highlight Group, the Group consisted of the operating subsidiaries Pokerloco Malta Ltd. and Loco Online Entertainment N.V. The Highlight Group consists of the operating segment parent HLM Malta Ltd. and the subsidiaries Chance Publications Malta Ltd., Mortgage Loan Directory & Information LLC, Match Publications Malta Ltd., and Rock Intention Malta Ltd.

Rock intention Malta Ltd., Match Publications Malta Ltd., Mortgage Loan Directory & Information LLC and Chance Publications Malta Ltd will merge with Rock Intention Malta Ltd. as the surviving entity. However, Rock Intention Malta Ltd. will assume the assets and all rights and obligations of the dissolved entities as a consequence of Maltese law. The mergers are pending registration at the date of the publication of this Prospectus.

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



## Recent events

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's solvency.

## Significant change and trend information

Neither has there been any material adverse changes in the prospects of the Group, the financial position of the Group nor the position of the Group on the market since the date of publication of its last audited annual accounts.

## Legal and arbitration proceedings

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

## Credit rating

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

## MANAGEMENT

The board of directors of the Issuer currently consists of five members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Stureplan 6, Stockholm. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors - Issuer

#### *Henrik Kvick, chairman of the board since 2012.*

**Education:** MSc. Industrial Engineering and Management, Linköping Institute of Technology

**Current commitments:** Chairman of the board and founder of NetJobs Group AB (publ).

#### *Marcus Teilman, member of the board since 2013.*

**Education:** Economics, Financial Management, Stockholm University

**Current commitments:** Deputy board member of AB Getingen.

#### *Jonas Bertilsson, member of the board since 2016.*

**Education:** MSc. in Accounting and Financial Management, Stockholm School of Economics

**Current commitments:** Investment Manager, Varenne. Board member of Mengus Stockholm 2011- AB, Bed Factory Holding AB and Pema Sweden AB, 2014

#### *Tobias Fagerlund, member of the board since 2015.*

**Education:** LL.M. Stockholm University

**Current commitments:** Chairman of the board of Dream of Sweden AB, LearnLand AB, Future Gaming Group AB and News55 AB. Board member of Global Gaming 555 AB, SpiffX AB, Invika AB, Relax Tech Sweden AB and Bryngan Invest AB. Director of Core Concept Management Inc. and Director of Relax Gaming Network Ltd.

#### *Jonas Söderqvist, member of the board since 2016.*

**Current commitments:** Founder and CEO of myTaste AB, and founder of Shopello Int. AB 2012-2016, Mytaste.com 2011-, Matklubben.se 2007-2016, and AllaAnnonser.se 2004-2016

**Board of directors - HLM Malta Ltd**

***Marcus Teilman, sole member of the board since October 2016.***

**Education:** Economics, Financial Management, Stockholm University

**Current commitments:** Deputy board member of AB Getingen.

Rock Intention Malta Limited is also a Director/board member of HLM Malta Limited.

**Board of directors - Rock Intention Malta Ltd**

***John Cremona, member of the board since July 2012.***

**Education:** Dr. iur, University of Malta

**Current commitments:** Director, Compliance Officer and Money Laundering Reporting Officer of a licensed Hedge Fund called The Royal Rainbow Fund (April 2012), examiner on Trusts at the University of Malta (2013)-

***Marcus Teilman, chairman of the board since October 2016.***

**Education:** Economics, Financial Management, Stockholm University

**Current commitments:** Deputy board member of AB Getingen.

**Board of directors - Match Publications Malta Ltd**

***Marcus Teilman, sole member of the board since October 2016.***

**Education:** Economics, Financial Management, Stockholm University

**Current commitments:** Deputy board member of AB Getingen.

**Board of directors - Chance Publications Malta Ltd**

***John Cremona, member of the board since July 2012.***

**Education:** Dr. iur, University of Malta

**Current commitments:** Director, Compliance Officer and Money Laundering Reporting Officer of a licensed Hedge Fund called The Royal Rainbow Fund (April 2012), examiner on Trusts at the University of Malta (2013)-

***Marcus Teilman, chairman of the board since October 2016.***

**Education:** Economics, Financial Management, Stockholm University

**Current commitments:** Deputy board member of AB Getingen.

**Board of directors - PokerLoco Malta Ltd*****Michela Lattughi, member of the board since September 2015.***

**Education:** ACCA Affiliate, CPA (Certified Public Accountant)

**Current commitments:** CFO of PokerLoco Malta Ltd

***Marcus Teilman, member of the board since February 2015.***

**Education:** Economics, Financial Management, Stockholm University

**Current commitments:** Deputy board member of AB Getingen.

***Philipp Janke, member of the board since September 2015.***

**Education:** Bachelor of Information Technology, University of Cooperative Education, Clauchau

**Current commitments:** CTO of PokerLoco

## Management of the Group

The Group's management team comprises five members. All management members are employed in Highlight Group, but the CEO also holds an employment in the Issuer.

### **Marcus Teilman**

- Group CEO, Net Gaming
- Joined Net Gaming in 2005, CEO since 2012
- Board member since 2013
- Previous occupations include, inter alia: various functions at Net Gaming since 2005, including CFO, experience from e-commerce companies

### **Richard Chindt**

- Group CFO
- Joined Net Gaming in 2007
- Previous occupations include, inter alia: CFO in various medium sized and listed companies, i.e. Equity Trust's operations in Sweden during 2006-2012. CEO at Heart of Brands AB for one year.
- Richard is currently a board member in Blue Engine AB, ExperITence AB, LAScan Beverage Company AB and Caraboto One AB.

### **Erik Gjerde**

- CEO, Highlight Group
- Joined Highlight Group in 2011
- Previous occupations include, inter alia: various positions within online marketing, online business development and software development. Midas Data, Norway 2005-2008
- Studied Marketing and Finance at the Norwegian School of Management

### **Sirp De Wit**

- COO, Highlight Group
- Joined Highlight Group in 2011
- Previous occupations include, inter alia: various positions at WebGuide Partner 2009-2011
- Msc in International Marketing & Management from the University of Newcastle

### **Jonas Petersson**

- Head of Business Intelligence & IT, Highlight Group
- Joined Highlight Group in 2011
- Previous occupations include, inter alia: Developer at ICA 2011-2011, Owner of FF Consulting
- Extensive technical knowledge from nearby 20 years of programming experience
- Studies in Mathematics from Linköping University

## Conflicts of interest within administrative, management and control bodies

Neither the Issuer nor the Group is a party to any transactions involving any perceived or potential conflicts of interest with any members of the administrative, management and control bodies, nor is the Issuer or the Group aware of any such transactions that could lead to the Issuer or any member of the Group becoming a party to such perceived or potential conflict of interest situations.

**Interest of natural and legal persons involved in the issue**

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

## HISTORICAL FINANCIAL INFORMATION

### Historical financial information

The Group's consolidated financial statements for the financial year ended 31 December 2016 and the figures for the financial year ended 31 December 2015 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. As a complement to the consolidated financial statements of the Group, the financial statements for the years ending 31 December 2016 and 31 December 2015 for each Guarantor are incorporated to this Prospectus by reference and is to be read as a part of this Prospectus.

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

The Issuers financial statements for the financial year ended 31 December 2016 and 31 December 2015 have been prepared in accordance with Swedish annual accounts act and RFR 2 for legal entities.

The only financial statements for HLM Malta Ltd, since it was incorporated 2016, ended 31 December 2016 have been prepared in accordance with IFRS as adopted by the EU. They have also been drawn up in accordance with the provisions of the Companies Act. 1995 (chapter 386, Laws of Malta).

Rock Intention Malta Ltd., Match Publications Malta Ltd., Chance Publications Malta Ltd. and PokerLoco Malta Ltd., financial statements for the financial year ended 31 December 2016 and 31 December 2015 have been prepared and presented in accordance with IFRS as adopted by the EU and drawn up in accordance with the provisions of the Companies Act. 1995 (chapter 386, Laws of Malta) to the extent that such provisions do not conflict with the applicable framework.

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2016 is incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 9 and 17 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 10;
- consolidated balance sheet, pages 11 – 12;
- consolidated cash flow statement, page 13;
- consolidated statement of changes in equity, page 13;
- notes, pages 18 – 44; and
- the audit report, pages 45 – 46.

The Group's consolidated financial statements for the financial year ended 31 December 2015 is incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 6, 14 and 33 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 7;
- consolidated balance sheet, pages 8 – 9;
- consolidated cash flow statement, page 10;
- consolidated statement of changes in equity, page 10;
- notes, pages 15 – 32; and
- the audit report, page 34.

The audited annual financial statements of the Issuer for the financial year ended 31 December 2016 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 9 and 17 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 14;
- balance sheet, pages 15 – 16;
- notes, pages 18 – 44 ; and
- the auditors' report, pages 45 – 46.

The audited annual financial statements of the Issuer for the financial year ended 31 December 2015 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Page 1 – 6, 14 and 33 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 11;
- balance sheet, pages 12 – 13;
- notes, pages 15 – 32; and
- the auditors' report, page 34.

The only audited annual financial statements of HLM Malta Ltd., since its incorporation in 2016, for the financial year ended 31 December 2016 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Page 1 – 4 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 6;
- balance sheet, page 5;
- statement of changes in equity, page 7;
- notes, pages 8 - 19; and
- the auditors' report, pages 20 - 25.
- No cash flow statement has been prepared by HLM Malta Ltd., see page 8 clause 2.1 for further information.

The audited annual financial statements of Rock Intention Malta Ltd. for the financial year ended 31 December 2016 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Page 1 – 3 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 4;
- cash flow statement, page 7;
- statement of changes in equity, page 6;
- notes, pages 8 - 30; and
- the auditors' report, pages 31 - 36.

The audited annual financial statements of Rock Intention Malta Ltd. for the financial year ended 31 December 2015 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 3 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 4;
- cash flow statement, page 7;
- statement of changes in equity, page 6;
- notes, pages 8 – 29; and
- the auditors' report, pages 30 – 31.

The audited annual financial statements of Match Publications Malta Ltd. for the financial year ended 31 December 2016 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 3 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 4;
- cash flow statement, page 7;
- statement of changes in equity, page 6;
- notes, pages 8 - 25; and
- the auditors' report, pages 26 - 30.

The audited annual financial statements of Match Publications Malta Ltd. for the financial year ended 31 December 2015 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 3 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 4;
- cash flow statement, page 7;
- statement of changes in equity, page 6;
- notes, pages 8 – 25; and
- the auditors' report, pages 26 – 27.

The audited annual financial statements of Chance Publications Malta Ltd. for the financial year ended 31 December 2016 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 3 have not been incorporated by

reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 4;
- cash flow statement, page 7;
- statement of changes in equity, page 6;
- notes, page 8 - 25; and
- the auditors' report, pages 26 - 30.

The audited annual financial statements of Chance Publications Malta Ltd. for the financial year ended 31 December 2015 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 2 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 4;
- balance sheet, page 3;
- cash flow statement, page 6;
- statement of changes in equity, page 5;
- notes, pages 7 – 27; and
- the auditors' report, pages 28 – 29.

The audited annual financial statements of PokerLoco Malta Ltd. for the financial year ended 31 December 2016 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Page 1 has not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 5, page 18 for detailed income statement;
- balance sheet, page 6;
- cash flow statement, page 8;
- statement of changes in equity, page 7;
- notes, pages 9 - 17; and
- the auditors' report, pages 2 - 4.

The audited annual financial statements of PokerLoco Malta Ltd. for the financial year ended 31 December 2015 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at [www.netgaming.se/en](http://www.netgaming.se/en). Pages 1 – 2 have not been incorporated by reference since they are not deemed relevant for the prospective investors. For Particular financial figures please refer to the pages set out below:

- income statement, page 5;
- balance sheet, page 6;
- cash flow statement, page 8;
- statement of changes in equity, page 7;
- notes, page 9 - 19; and
- the auditors' report, page 3 - 4.

The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

### **Auditing of the annual historical financial information**

#### The Group

Nexia Revision Stockholm AB, at the address Gamla Brogatan 32, Stockholm, Sweden with Per-Åke Bois as the auditor in charge, is currently the auditor of the Issuer and of the Group's consolidated financial statements. Per-Åke Bois has been the auditor of the Issuer since its foundation in 2005. Per-Åke Bois is an authorized auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden. The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

KPMG Malta, at address Portico Building, Marina Street. Pieta, Malta is the auditor of HLM Malta Ltd. and the subsidiaries Chance Publications Malta Ltd., Mortgage Loan Directory & Information LLC, Match Publications Malta Ltd., and Rock Intention Malta Ltd. KPMG Malta is registered as a partnership of Certified Public Accountants in terms of the Accountancy Profession Act. The principal authorised to sign on behalf of KPMG on the auditor's report has been Giles Schembri. The auditor was appointed in 2009.

### **Age of the most recent financial information**

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2016, which is published on the Issuer's website *netgaming.se/en*.

## OTHER INFORMATION

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 375,000,000. Each Bond has a nominal amount of SEK 1,000,000. The ISIN for the Bonds is SE0010297572.

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

### The Guarantors

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

- HLM Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-75337. Its registered address is Highlight Media Group, 114, 5<sup>th</sup> Floor, the Strand, Gzira Malta;
- Rock Intention Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49286. Its registered address is Highlight Media Group, 114, 5<sup>th</sup> Floor, the Strand, Gzira Malta;
- Match Publications Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49465. Its registered address is Highlight Media Group, 114, 5<sup>th</sup> Floor, the Strand, Gzira Malta;
- Chance Publications Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49284. Its registered address is Highlight Media Group, 114, 5<sup>th</sup> Floor, the Strand, Gzira Malta; and
- PokerLoco Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-51645. Its registered address is 216, Penthouse 7, Triq San Albert, Gzira, Malta.

### Material contracts

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

### Documents available for inspection

The following documents are available at the Company's headquarters at Stureplan 6, Stockholm, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus.

- the Issuer's and Guarantors' articles of association;
- the Issuer's and Guarantors' certificate of registration;

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- the financial statements and audit reports for the financial year ended 31 December 2015 and for the financial year ended 31 December 2016 for each company within the Group (including each Guarantor);
- this Prospectus; and
- the Guarantee Agreement.

The following documents are also available in electronic form on the Company's website [netgaming.se/en](http://netgaming.se/en):

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2016 and for the financial year ended 31 December 2015;
- the financial statements and audit reports for the financial year ended 31 December 2015 and for the financial year ended 31 December 2016 for each company within the Group (including each Guarantor);
- this Prospectus; and
- the Guarantee Agreement.

### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 250,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

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

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

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

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

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

**"Agent"** means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as agent and security agent, acting for and on behalf of the Bondholders in accordance with these Terms and Conditions.

**"Bond De-listing Event"** means the delisting of the Bonds from a Regulated Market.

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

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

**"Bonds"** means the debt instruments issued by the Issuer pursuant to these Terms and Conditions.

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

**"Call Option"** means the Issuer's right to redeem outstanding Bonds in full in accordance with Clause 9.4 (*Voluntary Total Redemption (call option)*).

**"Call Option Amount"** means:

- (a) 100 per cent. plus 50 per cent. of the coupon to be inserted of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the First Call Date to, but not including, the date falling 24 months after the First Issue Date; and
- (b) 100 per cent. plus 30 per cent. of the coupon to be inserted of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 24 months after the First Issue Date to, but not including, the date falling 30 months after the First Issue Date.
- (c) subject to paragraph (d) below, 100 per cent. plus 10 per cent. of the coupon to be inserted of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the Final Redemption Date.
- (d) 100 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 33 months after the First Issue Date to, but not including, the Final Redemption Date, provided that the redemption is financed to 100 per cent. by way of one or several Market Loan issues.

**"Change of Control Event"** means the occurrence of an event or series of events whereby:

- (a) the Main Shareholder decrease its ownership to such extent it no longer controls the Group; or
- (b) one or more persons, acting together, acquire control over the Group;

and in both cases **"control"** means (a) directly or indirectly, controlling more than 50.00 per cent. of the voting shares of the Group, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Group.

**"Compliance Certificate"** means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying (i) the satisfaction of the Maintenance Test (including calculations and figures in respect of the relevant financial tests and the basis on which they have been calculated), (ii) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, and (iii) if provided in connection with the incurrence of Financial Indebtedness that requires that the Incurrence Test is met that the Incurrence Test is met. The Compliance Certificate shall include calculations and figures in respect of the ratio of Senior Net Interest Bearing Debt to EBITDA and the ratio of EBITDA to Net Finance Charges.

**"Convertible Loan"** means the originally SEK 140,000,000, fixed coupon of 9.50 per cent., due on 15 October 2019, subordinated convertible loan issued by the Issuer on 11 October 2016.

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

**"Earn-Out Payment"** means any payment made by the Issuer under the share purchase agreement, dated 6 July 2016, between the Issuer as buyer and Highlight Media Holdings Ltd. as seller.

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

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

**"Equity De-listing Event"** means the occurrence of an event whereby:

- (a) the Issuer's shares are not listed and admitted to trading on a MTF or any Regulated Market; or
- (b) trading of the Issuer's shares on the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive banking days.

**"Escrow Accounts"** means the Escrow Cash Account, the Escrow Interest Account and the Escrow VP Account.

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

**"Escrow Interest Account"** means a bank account of the Issuer into which any interest received under the Exchanged Existing Bonds, during the period from the First Issue Date up to the date when the conditions precedent for disbursement (as set out in Clause 4(b)) have been fulfilled, shall be deposited and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Escrow Accounts Pledge Agreement.

**"Escrow VP Account"** means the VP securities account of the Issuer, into which the Exchanged Existing Bonds will be transferred and which has been pledged in favour of the Agent and the bondholders (represented by the Agent) under the Escrow Account Pledge Agreement.

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

**"Exchange Offer"** means the offer to Existing Bondholders to exchange their Existing Bonds for Bonds.

**"Exchanged Existing Bonds"** means any Existing Bonds which an Existing Bondholder have used to participate in the Exchange Offer.

**"Existing Bondholder"** means a holder of any Existing Bond.

**"Existing Bonds"** means the SEK 200,000,000 senior secured fixed rate bonds with ISIN SE0008348221 issued by the Issuer on 13 October 2016.

**"Existing Shareholder Loan"** means the existing shareholder loan in a principle amount of SEK 2,000,000 granted to the Issuer by the Main Shareholder before the First Issue Date.

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

**"Event of Default"** means an event or circumstance specified in any of the Clauses 14.2 (*Non-Payment*) to and including Clause 14.13 (*Continuation of Business*).

**"Final Redemption Date"** means 14 September 2020.

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

**"Finance Documents"** means these Terms and Conditions, the Agency Agreement, the Security Documents, the Escrow Account Pledge Agreement, any Subordination Agreement, the Guarantee and Adherence Agreement and any other document designated to be a Finance Document by the Issuer and the Agent.

**"Financial Indebtedness"** means any indebtedness in respect of:

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

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

**"Financial Reports"** means the Group's annual audited consolidated financial statements or quarterly interim unaudited reports of the Group, which shall be prepared and made available according to Clause 11 (*Information to the Bondholders*).

**"First Call Date"** means the date falling 18 months after the First Issue Date.

**"First Issue Date"** means 14 September 2017.

**"Floating Rate Margin"** means 7.25 per cent.

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

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

**"Guarantee"** means the guarantee provided by the Guarantors under the Guarantee and Adherence Agreement.

**"Guarantee and Adherence Agreement"** means the guarantee and adherence agreement dated on or about the First Issue Date between the Guarantors and the Agent pursuant to

which the Guarantors guarantee the Secured Obligations and adhere to these Terms and Conditions.

**"Guarantors"** means:

- (a) HLM Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C 75337;
- (b) Rock Intention;
- (c) Match Publications Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49465;
- (d) Chance Publications Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49284; and
- (e) Poker Loco Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-51645.

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

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

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

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

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

**"Interest Payment Date"** means 14 December, 14 March, 14 June, and 14 September each year (with the first Interest Payment Date being 14 December 2017 and the last Interest Payment Date being the Final Redemption Date), or to the extent such day is not a Business Day, the first following day that is a Business Day (no adjustments of Business Day).

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

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

**"Issue Date"** The First Issue Date and any subsequent date when a Subsequent Bond Issue takes place.

"**Issuer**" means Net Gaming Europe AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556693-7255.

"**Issuing Agent**" means ABG Sundal Collier ASA, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"**Listing Failure**" means a failure to list (i) the Initial Bonds within 60 calendar days after the First Issue Date (with an intention to complete such listing within 30 calendar days after the First Issue Date) on the corporate bond list of Nasdaq Stockholm or any other Regulated Market, or (ii) any Subsequent Bonds within 20 calendar days after the issuance of such Subsequent Bonds on the corporate bond list of Nasdaq Stockholm or any other Regulated Market.

"**Make Whole Amount**" means a price equivalent to the sum of:

- (a) the Nominal Amount;
- (b) the present value on the relevant record date of the remaining coupon payments (assuming that the interest rate for the period from the relevant redemption date to the First Call Date will be equal to the interpolated SEK mid-swap rate for the remaining term from the redemption date until the First Call Date plus the applicable Floating Rate Margin), less any accrued but unpaid interest, through and including the First Call Date;
- (c) the present value on the relevant record date of the remaining coupon payments, less any accrued but unpaid interest, through and including the First Call Date; and
- (d) accrued (but unpaid) Interest on the redeemed amount

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

"**Main Shareholder**" means Henrik Kvick, Swedish personal identity number (*personnummer*) 770817.

"**Maintenance Test**" means the financial test as set out in Clause 12.2 (*Maintenance Test*).

"**Maltese Mergers**" means the mergers of Rock Intention and (i) Match Publications Malta Ltd. and (ii) Chance Publications Malta Ltd., with Rock Intention as the surviving entity, which are pending at the date of these Terms and Conditions.

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

**"Material Adverse Effect"** means a material adverse effect on (a) the business, financial condition or operations of the Group taken as a whole, (b) the Issuer's ability to perform and comply with its payment obligations under these Terms and Conditions, or (c) the validity or enforceability of these Terms and Conditions.

**"Material Asset"** means an asset contributing with more than 5.00 per cent. of the total revenue of the Group on a consolidated basis according to the latest Financial Report.

**"Material Group Company"** means each of the Issuer or a Subsidiary representing more than 10.00 of the total assets of the Group on a consolidated basis (for the avoidance of doubt, excluding any intra group transactions) or EBITDA of the Group on a consolidated basis according to the latest Financial Report.

**"MTF"** means any multilateral trading facility (as defined in Directive 2004/39/EC on markets in financial instruments).

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

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

**"Nominal Amount"** means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which each Bond has been partly amortised or redeemed in accordance with these Terms and Conditions.

**"Permitted Debt"** means any Financial Indebtedness:

- (a) under the Existing Bonds until disbursement of Net Proceeds from the Initial Bonds Issue has occurred in accordance with Clause 4;
- (b) incurred under the Initial Bonds;
- (c) incurred by the Issuer if such Financial Indebtedness is incurred as a result of a Subsequent Bond Issue and meets the Incurrence Test tested pro forma including such incurrence;
- (d) arising as a result of a contemplated refinancing of the Bonds in full provided that such debt is held in escrow until full repayment of the Bonds;
- (e) related to any agreements under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
- (f) taken up from a Group Company;
- (g) of the Group under any guarantee issued by a Group Company in the ordinary course of business;

- (h) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (i) arising under any interest rate hedging transactions in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (j) related to any Shareholder Loans or the Convertible Loan;
- (k) related to any Earn-Out Payments;
- (l) incurred under Advance Purchase Agreements;
- (m) of the Group under any pension or tax liabilities of the Group incurred in the ordinary course of business; and
- (n) any other Financial Indebtedness not covered under (a)-(m) above in an aggregate maximum amount of SEK 5,000,000.

**"Permitted Security"** means any security:

- (a) provided in relation to the Existing Bonds until disbursement of Net Proceeds from the Initial Bonds Issue has occurred in accordance with Clause 4;
- (b) provided under the Finance Documents;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (d) related to any agreements under which a Group Company leases office space (*kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;
- (f) provided for foreign exchange transactions or interest rate hedging transactions set out in paragraph (g) and (h) of the definition Permitted Debt;
- (g) provided for any guarantees issued by a Group Company in the ordinary course of business; and
- (h) provided for any Financial Indebtedness incurred under (n) of the definition of Permitted Debt.

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

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

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

**"Redemption Costs"** means all breakage costs, expenses, penalties and other costs incurred by the Issuer or any other member of the Group in connection with partial or full prepayment of the Existing Bonds and/or Convertible Loan.

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

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

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

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

**"Rock Intention"** means Rock Intention Malta Ltd., a private limited liability company incorporated under the laws of Malta with company registration number C-49286.

**"Secured Obligations"** means all present and future obligations and liabilities (whether actual or contingent, whether owed jointly, severally or in any other capacity whatsoever and whether originally incurred by the Issuer or by some other person) of the Issuer and each other Group Company to the Secured Parties under each of the Finance Documents, together with all costs, charges and expenses incurred by any Secured Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents, or any other document evidencing or securing any such liabilities.

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

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

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

**"Security Agent"** means Nordic Trustee & Agency AB (publ).

"**Security Documents**" means the following security documents pursuant to which the Transaction Security is created:

- (a) a first ranking pledge agreement entered into by the Issuer and the Agent in respect of all the shares currently issued in HLM Malta Ltd.;
- (b) a first ranking pledge agreement entered into by the Issuer and the Agent in respect of all the shares currently issued in PokerLoco Malta Ltd.;
- (c) a first ranking pledge agreement entered into by HLM Malta Ltd. and the Agent in respect of all the shares currently issued in Rock Intention Malta Ltd.;
- (d) a first ranking pledge agreement entered into by HLM Malta Ltd. and the Agent in respect of all the shares currently issued in Chance Publications Malta Ltd. (the "**Chance Publication Share Pledge**");
- (e) a first ranking pledge agreement entered into by HLM Malta Ltd. and the Agent in respect of all the shares currently issued in Match Publications Malta Ltd. (the "**Match Publication Share Pledge**");
- (f) any security document pursuant to which additional security is provided in accordance with clause 11(d);and
- (g) any other document designated as a Security Document by the Issuer and the Agent.

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

"**Shareholder Loans**" means the Existing Shareholder Loan and any other shareholder loan granted to the Issuer if (a) according to its terms and pursuant to a Subordination Agreement, are subordinated to the obligations of the Issuer under these Terms and Conditions, (b) according to its terms have a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date, and (c) according to its terms yield only payment-in-kind interest, other than interest that is permitted to be payable under clause 13.3 (*Distributions*).

"**STIBOR**" means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm's website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for

which that screen rate is available) which exceeds that Interest Period, as of or around 11 a.m. on the Quotation Day;

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

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

"**Sole Bookrunner**" means ABG Sundal Collier AB.

"**Subordination Agreement**" means a subordination agreement between, among others, the Agent, the Issuer and any creditor with respect to Shareholder Loans.

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

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

"**Swedish Government Bond Rate**" means:

- (a) the interpolated SGB rate between the SGB 12 March 2019 (series 1052) and the SGB 1 December 2020 (series 1047) (mid rates), as determined by the Issuing Agent on or about 11.00 am on the date of the notification of redemption; or
- (b) if no quotation is available pursuant to paragraph (a), the SGB rate which the Issuing Agent deems appropriate for the purpose of the calculation set out in this definition (acting reasonably); and

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

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

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

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

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

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

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Sw. Riksbanken*) on its website ([riksbank.se](http://riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The initial nominal amount of each Initial Bond is SEK 1,000,000 (the "**Initial Nominal Amount**"). The total nominal amount of the Initial Bonds is SEK 375,000,000. All Initial

Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.

- (d) Provided that Incurrence Test (calculated pro forma including such issue) is met, the Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**") shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 1,000,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (e) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (f) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (g) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### **3. Use of Proceeds**

- (a) The Issuer shall use the proceeds from the issue of the Bonds, less the costs and expenses incurred by the Issuer in connection with the issue of the Bonds, to (i) repay the Existing Bonds in full and the Convertible Loan in part, (ii) pay Transaction Costs and (iii) to finance general corporate purposes.

### **4. Conditions Precedent**

- (a) The payment of the Net Proceeds from the Initial Bonds to the Escrow Cash Account and the transfer of the Exchanged Existing Bonds to the Escrow VP Account is subject to the Agent having received documents and evidence of the Escrow Account Pledge Agreement being duly executed and perfected.
- (b) The Agent's approval of the disbursement of the Net Proceeds from the Escrow Cash Account and release of the Exchanged Existing Bonds to the Issuer for the purpose of cancellation, is subject to the following documents being received by the Agent and that the following events have occurred:

- (i) certificate of registration, articles of association and copy of the relevant board minutes for the Issuer and each other party to a Finance Document;
  - (ii) corporate resolutions (approving the relevant Finance Documents) for the Issuer and each entity granting Transaction Security;
  - (iii) an agreed form of Compliance Certificate;
  - (iv) evidence that the Existing Bonds and part of the Convertible Loan will be repaid immediately following disbursement;
  - (v) evidence that the Finance Documents have been duly executed;
  - (vi) evidence that the Transaction Security has been duly provided and perfected or will be perfected in accordance with the Finance Documents as soon as possible but in any event no later than one (1) Business Day following disbursement; and
  - (vii) a legal opinion on the capacity, due execution, validity and enforceability of the Finance Documents issued by a reputable law firm in each jurisdiction where Transaction Security will be granted or where a Guarantor or a Transaction Security provider is incorporated.
- (c) The Agent may assume that documentation delivered to it pursuant to Clause 4(b) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The documents delivered to the Agent pursuant to Clause 4(b) are not reviewed by the Agent from a legal or commercial perspective of the Bondholders.
- (d) When the conditions precedent for disbursement set out in Clause 4(b) have been fulfilled (or, in relation to paragraph 4(b)(vi) above, documentation has been provided evidencing that it will be fulfilled one (1) Business Day following disbursement) to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Escrow Account) to transfer the funds from the Escrow Account in accordance with Clause 3 (*Use of Proceeds*), and transfer any residual funds of the Net Proceeds on the Escrow Account to the bank account specified by the Issuer.
- (e) If the conditions precedent for disbursement set out in Clause 4(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within thirty (30) Business Days from the First Issue Date, the Issuer shall (i) redeem all Bonds (which have not been purchased pursuant to the Exchange Offer) at a price equal to 100.00 per cent. of the Initial Nominal Amount together with any accrued but unpaid Interest and the funds on the Escrow Cash Account shall in such case be applied to redeem the Bonds on behalf of the Issuer and any shortfall shall be covered by the Issuer and (ii) the Exchanged Existing Bonds, standing on the Escrow VP Account, shall, together with accrued interest on such Exchanged Existing Bonds and interest paid under such Exchanged Existing Bonds since the First Issue Date standing to the credit of the Escrow Interest Account, be released to the respective Existing Bondholders of such Exchanged Existing Bonds. Any funds distributed by the Agent to the Bondholders in accordance with the Escrow Account Pledge Agreement shall be deemed to be paid

by the Issuer for the redemption under this Clause 4(e). The redemption date shall fall no later than thirty (30) Business Days after the ending of the thirty (30) Business Days period referred to above

## 5. Bonds in Book-Entry Form

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

## 6. Right to Act on Behalf of a Bondholder

- (a) If any person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such person.
- (b) A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## 7. Payments in Respect of the Bonds

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

## 8. Interest

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

## **9. Redemption and Repurchase of the Bonds**

### **9.2 Redemption at Maturity**

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

### **9.3 Issuer's Purchase of Bonds**

Each Group Company may, subject to applicable law, any time purchase Bonds, provided that any Bond purchased by a Group Company (other than the Issuer) will promptly be surrendered to the Issuer for cancellation. Bonds held by the Issuer may at the Issuer's discretion be retained, sold or cancelled.

### **9.4 Voluntary Total Redemption (call option)**

- (a) The Issuer may redeem early all, but not some only, of the Bonds on any Business Day before the Final Redemption Date. The Bonds shall be redeemed at the Make Whole Amount or the Call Option Amount (as applicable) together with accrued but unpaid interest.
- (b) Redemption in accordance with Clause 9.4(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

### **9.5 Mandatory Redemption due to a Change of Control Event (put option)**

- (a) Upon a Change of Control Event, an Equity De-listing Event, a Listing Failure or a Bond De-listing Event occurring, each Bondholder shall have the right to request that all, or some only, of its Bonds be redeemed at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) days following a notice from the Issuer of the relevant Change of Control Event, Equity De-Listing Event, Listing Failure or Bond De-listing Event (as applicable) pursuant to Clause 11.2(c) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- (b) The notice from the Issuer pursuant to Clause 11.2(c) shall specify the redemption date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be redeemed. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall redeem the relevant Bonds and the redemption amount shall fall due on the redemption date specified in the notice given by the Issuer pursuant to Clause 11.2(c). The redemption date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.5(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the redemption of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5,

the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.

- (d) Any Bonds redeemed by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained, sold or cancelled.

## 10. Transaction Security and Guarantee

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer, HLM Malta Ltd. and the Guarantors (subject to applicable corporate law limitations) grants on or about the First Issue Date the Transaction Security and the Guarantee to the Secured Parties as represented by the Agent.
- (b) The Agent shall hold the Transaction Security and the Guarantee on behalf of the Secured Parties in accordance with the Security Documents and the Guarantee and Adherence Agreement. The Issuer shall enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents on or about the First Issue Date.
- (c) In respect of any Maltese law governed Transaction Security, the Agent shall hold such Transaction Security as security trustee and for the benefit of the Secured Parties.
- (d) Upon the acquisition of any entity financed entirely or partially by proceeds from the issuance of Bonds, all amounts outstanding under the Finance Documents, including but not limited to the Bonds, plus accrued interest and expenses shall be secured by:
  - (i) a pledge over all the shares issued in the acquired entity at the time of the acquisition; and
  - (ii) a guarantee issued by the acquired entity at the time of the acquisition,

provided however that such Transaction Security shall be subject to customary financial assistance and corporate benefit limitations.
- (e) Unless and until the Agent has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security and/or the Guarantee, creating further Security or Guarantee for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security and/or the Guarantee, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interests of the Secured Parties.
- (f) Upon completion of the Maltese Mergers or immediately in connection therewith, and subject to the Agent's approval, the Transaction Security created pursuant to the Chance Publication Share Pledge and the Match Publication Share Pledge and the Guarantees granted by Match Publication Malta Ltd. and Chance Publication Malta Ltd. under the Guarantee and Adherence Agreement shall be released.

## 11. Information to Bondholders

### 11.2 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language to the Bondholders by publication on the website of the Issuer:
  - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (iii) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are listed.
- (b) When and for as long as the Bonds are listed, the reports referred to in Clause 11.2(a) shall, in addition, be prepared in accordance with IFRS and made available in accordance with the rules and regulations of Nasdaq Stockholm (as amended from time to time) and the Swedish Securities Market Act.
- (c) The Issuer shall immediately notify the Bondholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a De-listing Event. Such notice may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (d) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.2(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (e) The Issuer shall issue a Compliance Certificate to the Agent (i) in connection with each Financial Report, (ii) each Incurrence Test and (iii) at the Agent's request, within twenty (20) days from such request.
- (f) The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume

that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

- (g) The Issuer is only obliged to inform the Agent according to this Clause 11.2 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.2.

### **11.3 Information from the Agent**

- (a) The Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.

### **11.4 Publication of Finance Documents**

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

## **12. Financial Testing**

### **12.2 Maintenance Test**

- (a) The Issuer shall ensure that at all times the ratio of Senior Net Interest Bearing Debt to EBITDA is not greater than:
- (i) 4.00 from and including the First Issue Date to and excluding the date falling 1 year after the First Issue Date; and
  - (ii) 3.50 from and including the date falling one (1) year after the First Issue Date to and excluding the Final Redemption Date
- (b) the ratio of EBITDA to Net Finance Charges exceeds 2.25.

calculated in accordance with the calculation principles set out in Clause 12.6 (*Calculation Adjustments*) on a consolidated basis and based on the most recently delivered Financial Report.

### **12.3 Testing of the Maintenance Test**

The Maintenance Test shall be tested quarterly on the basis of the interim report for the Reference Period ending on a Reference Date on the basis of the Compliance Certificate

delivered in connection therewith. The first test date for the Maintenance Test shall be 30 September 2017.

#### **12.4 Incurrence Test**

The Issuer shall ensure that at all times the ratio of Senior Net Interest Bearing Debt to EBITDA is not greater than

- (a) the ratio of Senior Net Interest Bearing Debt to EBITDA is not greater than 3.50; and
- (b) no Event of Default is continuing or would occur upon the incurrence or distribution (as applicable).

calculated in accordance with the calculation principles set out in Clause 12.6 (*Calculation Adjustments*) on a consolidated basis and based on the most recently delivered Financial Report.

#### **12.5 Testing of the Incurrence Test**

The calculation of the ratio of Senior Net Interest Bearing Debt to EBITDA shall be made as per a testing date determined by the Issuer, falling no more than two months prior to the incurrence of the new Financial Indebtedness or the making of a Restricted Payment. The Senior Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Senior Net Interest Bearing Debt). EBITDA shall be calculated in accordance with the calculation principles set out in Clause 12.6 (*Calculation Adjustments*) on a consolidated basis and based on the most recently delivered Financial Report.

#### **12.6 Calculation Adjustments**

- (a) The figures for EBITDA, Finance Charges and Net Finance Charges for the Reference Period shall be used for the Maintenance Test and the Incurrence Test, but adjusted so that:
  - (i) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Reference Period; and
  - (ii) any entity or asset to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma, for the entire Reference Period.
- (b) The figures for Senior Net Interest Bearing Debt set out in the financial statements as of the most recent quarter date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that Senior Net Interest Bearing Debt for such period shall be:
  - (i) reduced to reflect any Senior Net Interest Bearing Debt attributable to a disposed entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the

extent such Senior Net Interest Bearing Debt is included in the relevant financial statements); and

- (ii) increased on a pro forma basis by an amount equal to the Senior Net Interest Bearing Debt directly attributable to any Financial Indebtedness owed by acquired entities calculated as if all such debt had been incurred at the beginning of the relevant Reference Period; and
- (iii) increased on a pro forma basis by an amount equal to the Senior Net Interest Bearing Debt directly attributable to any Financial Indebtedness incurred under any Subsequent Bonds, calculated as if such debt had been incurred at the beginning of the relevant Reference Period.

## 13. General Undertakings

### 13.2 General

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

### 13.3 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend in respect of its shares;
  - (ii) repurchase any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted equity with repayment to shareholders;
  - (iv) repay or pay interest under any Shareholder Loans;
  - (v) grant any loans except to Group Companies; or
  - (vi) make any other similar distribution or transfers of value to the Issuer's; or its Subsidiaries', direct and indirect shareholders or the Affiliates of such direct and indirect shareholders,

(the items (i)-(vi) above are together and individually referred to as a "**Restricted Payment**") provided however that any such Restricted Payment can be made by any of the Issuer's Subsidiaries if such Restricted Payment is made to the Issuer or any of the wholly-owned Subsidiaries and, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis. For the avoidance of doubt, any Earn-Out Payment shall not constitute a Restricted Payment.

- (b) Notwithstanding clause 13.3(a), the Issuer may make interest payments under the Convertible Loan (in accordance with the terms of the Convertible Loan).

#### **13.4 Nature of Business**

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

#### **13.5 Financial Indebtedness**

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

#### **13.6 Disposal of Assets**

The Issuer shall not, and shall procure that no Subsidiary, sell or otherwise dispose of (i) shares in any Subsidiary, or (ii) a Material Asset to any person not being the Issuer or any of its wholly-owned Subsidiaries.

#### **13.7 Dealings with Related Parties**

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

#### **13.8 Negative Pledge**

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

### **14. Events of Default and Acceleration of the Bonds**

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.14 (*Acceleration of the Bonds*)) is an Event of Default.

#### **14.2 Non-Payment**

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

#### **14.3 Subordination**

The Issuer's obligations under the Convertible Loan are no longer effectively fully subordinated to the Secured Obligations.

#### **14.4 Convertible Loan**

The terms of the Convertible Loan are amended, altered, replaced or in any way changed without the prior written consent of the Agent.

#### **14.5 Other Obligations**

The Issuer does not comply with its obligations under the Finance Documents, in any other way than as set out under clause 14.2 (*Non-Payment*), clause 14.3 (*Subordination*) and clause 14.4 (*Convertible Loan*) above, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) banking days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds due and payable without such prior written request).

#### **14.6 Maintenance Test**

The Issuer fails to comply with the Maintenance Test.

#### **14.7 Cross-Acceleration**

Any Financial Indebtedness of a Material Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this clause 14.7 if the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

#### **14.8 Insolvency**

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

#### **14.9 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within sixty (60) days of commencement or, if earlier, the date on which it is advertised, and (ii) in relation to Subsidiaries, solvent liquidations) in relation to:

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

#### **14.10 Mergers and Demergers**

Subject to the Maltese Mergers, a decision is made that any Material Group Company shall be demerged or merged if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.

#### **14.11 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding SEK 10,000,000 and is not discharged within sixty (60) days.

#### **14.12 Impossibility or Illegality**

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

#### **14.13 Continuation of the Business**

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

#### **14.14 Acceleration of the Bonds**

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (c) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (d) In the event of an acceleration of the Bonds in accordance with this Clause 14.14, the Issuer shall redeem all Bonds with an amount per Bond together with a premium on the due and payable amount as set forth in the Call Option Amount for the relevant period and, shall for the non-call period (until the First Call Date) be the Make Whole Amount.

## 15. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantee shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (i) *first*, in or towards payment of the Agent under the Agency Agreement, including all costs and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;
  - (ii) *secondly*, in or towards payment of accrued interest unpaid under the Bonds;
  - (iii) *thirdly*, in or towards payment of principal under the Bonds; and
  - (iv) *fourthly*, in or towards payment of any other costs or outstanding amounts under and the Bonds.

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

- (b) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security and/or the Guarantee constitute escrow funds (*Sw. redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.

## 16. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least 10.00 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.

- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least two thirds ( $2/3$ ) of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):
- (i) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*)
  - (ii) releasing or materially changing the Transaction Security and/or the Guarantee;
  - (iii) reduce the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - (iv) amend any payment day for principal or interest amount or waive any breach of a payment undertaking,
  - (v) amend the provisions regarding the majority requirements under these Terms and Conditions; or
  - (vi) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16 (Decisions by Bondholders).
- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than 50.00 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19(a)(i) or (19(a)(ii))), an acceleration of the Bonds, or the enforcement of any Transaction Security or Guarantee.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 50.00 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16(e), and otherwise 20.00 per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or

- (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or its Affiliates, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## 17. Bondholders' Meeting

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.5(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders), and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## 18. Written Procedure

- (a) The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 19. Amendments and Waivers

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- (c) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## 20. Appointment and Replacement of the Agent

### 20.2 Appointment of Agent

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantee.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 20.2(a).
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.

- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may only act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies where these issues are ranked *pari passu* and do not otherwise entail any obvious conflicts of interest for the Agent.

### **20.3 Duties of the Agent**

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, holding the Transaction Security and Guarantee pursuant to the Security Documents and the Guarantee and Adherence Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security or the Guarantee on behalf of the Bondholders.
- (b) The Agent's duties under these Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.
- (c) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in these Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- (d) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (e) The Agent is entitled to delegate its duties to other professional parties, provided that such professional parties are selected with due care.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (g) The Agent is always entitled, at the expense of the Issuer, to engage external experts when carrying out its duties under the Finance Documents and/or related documents including (but not limited to) (i) after the occurrence of an Event of Default, (ii) or for

the purpose of investigating or considering (A) an event which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Transaction Security and/or the Guarantee which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).

- (h) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (i) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (j) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer or the Bondholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

#### **20.4 Limited liability for the Agent**

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

(including its directors, management, officers, employees, agents and representatives) to fulfil its obligations under the Finance Document or otherwise towards the Agent.

- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other person.
- (g) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.

## **20.5 Replacement of the Agent**

- (a) Subject to Clause 20.5(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 20.5(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent with immediate effect and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least 10.00 per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its

successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

- (h) In the event that there is a change of the Agent in accordance with this Clause 20.5, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement.

## 21. Appointment and Replacement of the Issuing Agent

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

## 22. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security and/or the Guarantee to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- (b) Clause 22(a) shall not apply if the Agent has been instructed by the Bondholders to take certain actions but is legally unable to take such actions.

## 23. Prescription

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

## 24. Notices

### 24.2 Notices

- (a) Subject to Clause 24(d), any notice or other communication to be made under or in connection with the Finance Documents:
- (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch;
  - (ii) if to the Issuer, to the following address:
 

Net Gaming Europe AB (publ)  
P.O. Box 7385  
103 91 Stockholm  
Sweden
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders.
- (b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.2(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.2(a).
- (d) If an Event of Default is continuing, any notice or other communication made by the Agent to the Issuer under or in connection with the Finance Documents may, provided that the Agent deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Agent), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Agent to the Issuer in accordance with this paragraph (c) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Agent.

## 25. Force Majeure and Limitation of Liability

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

- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **26. Governing Law and Jurisdiction**

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

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