



**Frankis Group Oyj**

EUR 30,000,000 Senior Unsecured Fixed Rate Bonds due 2016

*Lead Manager and Issuing Agent*

 **Pareto** Securities

The logo for Pareto Securities, featuring a stylized blue arc to the left of the word "Pareto" in a bold, blue, serif font, followed by the word "Securities" in a blue, sans-serif font.

Prospectus dated 21 March 2014

**IMPORTANT NOTICE:**

This prospectus (the “**Prospectus**”) has been prepared by Frankis Group Oyj (the “**Issuer**”, or the “**Company**” or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the “**Group**” or “**Frankis**”), a public limited liability company incorporated in Finland, having its headquarters located at the address, Hermannin rantatie 8 FI-00580, Helsinki with registration number 2416007-6, in relation to the application for the listing of the senior unsecured fixed rate bonds denominated in EUR (the “**Bonds**”) on the corporate bond list on NASDAQ OMX Stockholm, Swedish Reg. No. 556112-8074 (“**NASDAQ OMX**”). Pareto Securities AB has acted as Lead Manager and Issuing Agent 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 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 ([www.fi.se](http://www.fi.se)) and the Issuer’s website ([www.frankisgroup.com](http://www.frankisgroup.com)).

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 “**euro**”, “**€**” and “**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, and references to “**SEK**” refer to Swedish krona.

Each Bond has been issued with a nominal amount of EUR 100,000.

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 an 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 governing the rights and obligations with respect to the Bonds (see “*Terms and Conditions of the Bonds*”) (the “**Conditions**”) 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 OMX. 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 materialization 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 section "*Documents incorporated by reference*" 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. These risk factors include, but are not limited to, financial risks, technical risks, risks related to the business operations of the Group, environmental and regulatory risks. If any of these or other risks or uncertainties actually occurs, the business, operating results and financial condition of the Group could be materially and adversely affected, which could have a material adverse effect on the Group's ability to meet its obligations (including repayment of the principal amount and payment of interest) under the Bonds. The risks presented in this Prospectus are not exhaustive, and other risks not presently known to the Group, or that the Group currently deems immaterial, and therefore not discussed herein, may also adversely affect the Group and adversely affect the price of the Bonds and the Group's ability to service its debt obligations. Prospective investors should consider carefully the information contained in this Prospectus and make an independent evaluation before making an investment decision.*

*Included in this Prospectus are various "forward-looking statements", including statements regarding the intent, opinion, belief or current expectations of the Group or its management with respect to, among other things, (i) the Group's target market, (ii) evaluation of the Group's markets, competition and competitive position, (iii) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and outcomes to be materially different from any future results, performance or outcomes expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the risk factors described below and elsewhere in this Prospectus.*

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

### **Group specific risks**

#### **Franchise entrepreneurs**

The Group's ability to maintain and attract new franchise entrepreneurs is a determinant factor for Frankis to be successful in its business. Frankis is dependent on the franchisee's operations, earnings and financial position as such factors affect the franchisee's ability to make payments to the Group. The risk factors listed below should therefore also in relevant aspects be considered in relation to the franchise entrepreneurs.

#### **Business**

Misjudgement in pricing the services provided by the Group to its customers may affect the turnover, financial position and earnings. Moreover, there is no guarantee that the Group will be able to keep its costs at a minimum. Improper pricing and rising costs may affect Frankis' net sales, earnings and financial position.

The Group's ability to launch successful marketing campaigns is a key factor in driving sales. Failure to do so may affect the Group's net sales, earnings and financial position.

#### **Product development**

Frankis is dependent upon its ability to develop new and innovative products and services. If Frankis is not successful in this field, Frankis' operations, earnings and financial position may be affected.

#### **Suppliers and raw material**

The Group's manufacturing process depends on the availability and timely supply of raw materials and components from external suppliers. Inability to maintain a national logistic

network for customer deliveries or other problems in supplies, such as delays, may have adverse consequences for production and Helsinki Foodstock Oy's ("**Foodstock**") delivery to its customers resulting in an adverse effect on the Group's net sales, earnings and financial position.

#### **Raw material prices**

If the price for raw materials increases, the Group's ability to recover increased costs through higher pricing may be limited by the competitive environment and demand. Volatile pricing of raw materials can have an adverse effect on the Group's turnover, financial position and earnings.

#### **Product and service quality**

Changes in e.g. raw materials may affect quality in the Group's products. It cannot be excluded that changes can lead to quality deviations. Potential quality deviations may have a negative effect on the Group's operations, earnings and financial position.

Deviation in the handling, preparation, transport, storage of food raw materials may cause food borne illness or food poisoning. Potential food poisoning can lead to illnesses which could affect the Group's sales and reputation. In turn, this could have a negative effect on the Group's operations, earnings and financial position.

#### **Negative publicity**

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

#### **Key personnel**

Frankis is dependent upon a number of key employees who have been engaged in the Group for a long time, and have together developed the day-to-day operations and system within Frankis. These personnel also have a comprehensive knowledge of the industry in general and of Frankis in particular. It cannot be excluded that such key personnel will leave the Group in the future, or that they will take up employment with a competing business, which could have a negative effect on Frankis' operations, earnings and financial position. It is not certain that Frankis is able to recruit new, qualified personnel to the extent that Frankis wishes.

#### **Borrowing by the Group**

The Group has incurred, and may in compliance with the limits according to the Conditions further incur, financial indebtedness to finance its business operations. Such financing may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase Frankis' exposure to the loss of capital and higher interest expenses. Interests on the Group's borrowings from time to time are subject to fluctuations in the applicable interest rates. Higher interest rates could affect Frankis' operations, earnings and financial position.

#### **Currency risk**

The Issuer's functional currency is Euro. Although the Group's primary operations and cash flows are typically denominated in EUR, the Group has operations and costs that are not denominated in EUR. These include Swedish Krona, American Dollars and Serbian Dinars. Therefore the Group is exposed to currency risk, i.e., the risk that currency exchange rate

fluctuations will have an adverse effect on the business. Exchange rate fluctuations affect the Group's result when purchases are conducted in different currencies.

#### **Exchange rate fluctuations**

Frankis currently has sales in, amongst other countries, Serbia, Russian, which leads to revenues being earned in different currencies. Subsidiaries earnings and financial position is restated in EUR. Frankis purchases its raw materials from suppliers in several countries. Exchange rate fluctuations can have a negative effect on Frankis' operations, earnings and financial position.

#### **Taxes and charges**

Frankis conducts its business in accordance with its interpretation of applicable tax regulations and applicable requirements and decisions. There is no guarantee that Frankis' or its advisors' interpretation and application of laws, provisions, judicial practice has been, or will continue to be, correct or that such laws, provisions and practice will not be changed, potentially with retroactive effect. If such an event should occur, Frankis' tax liabilities can increase, which could have a negative effect on the Group's earnings and financial position.

#### **Ability to comply with the Conditions for the Bonds**

The Conditions for the Bonds will require Frankis to maintain specified financial ratios and satisfy financial covenants, including covenants related to interest coverage and net debt. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with these ratios and covenants. A breach of any of the covenants or the Group's inability to maintain the required financial ratios could result in a default under the Conditions for the Bonds.

#### **Ability to service debt**

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

#### **Credit risk**

When there is a risk for Frankis' counterparties being unable to fulfil their financial obligations towards Frankis, there is a credit risk. Frankis' current and potential franchise entrepreneurs and other counterparties may get in a financial situation where they cannot pay the agreed franchising fees or other amounts owed to Frankis as they fall due or otherwise abstain from fulfilling their obligations. Credit risks within the financial operations arise, inter alia, from the investment of excess liquidity, when interest swap agreements are entered into and upon obtaining long- and short-term credit agreements. There are no guarantees that Frankis' counterparties can fulfil their obligations which could affect Frankis' earnings and financial position.

#### **Dependency on other companies within the Group**

Frankis is a holding company and holds no significant assets other than investments in its subsidiaries. Frankis is thus dependent upon receipt of sufficient income and cash flow related

to the operations of the subsidiaries. A decrease in any such income and cash flow may have a material adverse effect on Frankis' financial condition.

#### **Majority owner**

Due to change of control, Frankis may be controlled by a majority shareholder, whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder will be given the power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgement, could enhance their equity investments, although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise this may adversely impact the Group's operations, financial position and results.

#### **Changes in legislation**

A number of legislations and regulations, including food and health regulations, leasing regulations, fire and safety requirements, environmental regulations, taxes and rules and regulations relating to franchising or leasing arrangements affect the business conducted by the Group. New or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations, which could have an adverse effect on the Group's business and results of business operations.

#### **Equity**

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

#### **Legal disputes**

Claims or legal action may in the future be taken against the Group which may have significant unfavorable effects on the Group's financial position, performance, and market position, or pricing of the Bonds.

#### **IT**

The Group uses IT systems for internal purposes and externally in relation to its suppliers and franchisees. Extensive downtime of network servers as well as attacks by IT-viruses could affect the Group's operations negatively which ultimately could affect the Group's operations, earnings and financial position.

#### **Market specific risks**

##### **Global economic conditions**

A lengthy economic downturn, a sustained loss of consumer confidence in the markets in which the Group operates, or problems for the Group's customers in financing their businesses, could trigger a decrease in demand for the Group's products and a decline in sales for the industry as well as the Group companies. This could have an adverse impact on the Group's net sales, financial position and earnings.



### **Competitive landscape**

The quick service restaurant industry is competitive. The Group has a number of competitors across different product categories, segments and geographic markets. It cannot be ruled out that these competitors will grow to be stronger in the future, for example, by means of further consolidation in the market. There is no guarantee that the Group will be able to compete successfully against current as well as future competitors which may have a negative effect on the Group's operations, earnings and financial position.

### **Demand for fast food**

Demand for fast food is influenced, to a large extent, depended on consumer spending. Large fluctuations in consumer spending could negatively affect the Group's operations, earnings and financial position. Further, the demand for fast food products is affected by health awareness. Consumers are increasingly conscious of health issues, focusing on balanced nutritional values as well as assurance of quality and safety. A higher concern for health issues may reduce the demand for the Group's products and may have a negative effect on the Group's operations, earnings and financial position.

## **Risks relating to the Bonds**

### **Credit risks**

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

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

### **Refinancing risk**

The Issuer may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance is dependent on the conditions of the capital markets and its financial condition at such time. The Issuer's access to financing sources may not be available on favourable terms, or at all. The Issuers' inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

### **Interest rate risks**

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

### **Liquidity risks**

Active trading in the securities does not always occur and hence there are no guarantees that a liquid market for trading in the Bonds will occur or be maintained. This may result in 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. Lack of liquidity in the market may have a negative impact on the market value of the Bonds.

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

#### **Unsecured obligations**

The Bonds constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer. This means that in the event of bankruptcy, re-organization or winding-up of the Issuer, the bondholders normally receive payment after any priority creditors have been fully paid.

#### **The market price of the Bonds may be volatile**

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

#### **Structural subordination and insolvency of subsidiaries**

All assets are owned by and all revenues are generated in subsidiaries of the Issuer. The subsidiaries are legally separated from the Issuer and have no obligation to make payments to the Issuer of any surpluses generated from their business. The subsidiaries' ability to make payments is restricted by, among other things, the availability of funds, corporate restrictions and local law. Furthermore, in the event of insolvency, liquidation or a similar event relating to one of the subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before any entity within the Group, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of the subsidiaries. There can be no assurance that the Group and its assets would be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

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

The Issuer may 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-organization or winding-up of the Issuer, the bondholders will be subordinated in right of payment out of the assets being subject to security.

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

Under the Conditions, as described in the Term Sheet, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not

be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to make the required redemption of Bonds.

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

In accordance with the Conditions, the bond trustee will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer and may 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, could bring its own action against the Issuer (in breach of the Conditions) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Issuer. To enable the bond trustee to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

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

#### **Bondholders' meetings**

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

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

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

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

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

**Exits and Change of Control**

Private equity funds, such as Sentica Partners, make investments with the objective of exiting the investment within a certain time frame. As part of their investment strategy, private equity funds take an active role in managing their portfolio companies. Pursuant to the Conditions, the Owners may make an exit by way of a private sale or an initial public offering of the shares in the Issuer without the bondholders being entitled to have their Bonds repurchased, provided that no other person or group, other than the Owners or its affiliates, acquires control, directly or indirectly, of more than 50 per cent of the voting shares of the Issuer or otherwise acquires the power to appoint or remove all, or the majority of, the members of the board of directors of the Issuer. Such an exit may adversely impact the Issuer's and/or the Group's operations, financial position and results.

**Amended or new legislation**

This Prospectus is and the Conditions will be based on Swedish law in force at the date of issuance and the Issue Date respectively. No assurance can be given on the impact of any possible future legislative measures or changes or modifications to administrative practices.

## THE OFFERING

*The following summary of the offering 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 "Terms and Conditions of the Bonds".*

<b>Issuer .....</b>	Frankis Group Oyj
<b>Bonds Offered .....</b>	EUR 30,000,000 in aggregate principal amount of senior unsecured fixed rate bonds due 2016.
<b>ISIN .....</b>	SE0005100112.
<b>Issue Date.....</b>	2 April 2013.
<b>Issue Price .....</b>	100 per cent.
<b>Interest Rates.....</b>	Interest on the Bonds will be paid at a fixed rate of 8 per cent. per annum.
<b>Interest Payment Dates.....</b>	Semi-annually in arrears on 2 April and 2 October in each year, commenced on 2 October 2013. Interest will accrue from the Issue Date.
<b>Nominal Amount .....</b>	The Bonds will have a nominal amount of EUR 100,000 and the minimum permissible investment upon issuance of the Bonds is EUR 100,000.
<b>Status of the Bonds.....</b>	The Bonds are denominated in EUR and each Bond is constituted by the Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Conditions.

The Bonds constitute senior, unsecured obligations of the Issuer and:

- will rank *pari passu* in right of payment with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law;
- will rank senior in right of payment to any existing and future indebtedness of the Issuer that is expressly subordinated in right of payment to the Bonds;
- will be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets, to the extent of the value

of the property and assets securing such indebtedness; and

- will be structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer.

### **Optional Redemption**

**Call Option .....** The Issuer has the right to redeem outstanding Bonds in full in accordance with Clause 8.3 (*Voluntary Total Redemption*) of the Terms and Conditions of the Bonds.

**Call Option Amount .....** Call Option Amount means:

- 104.00 per cent. 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 twenty-four (24) months after the Issue Date;
- 103.00 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the call option is exercised on or after the date falling twenty-four (24) months after the Issue Date to (but not including) the date falling thirty (30) months after the Issue Date; and
- 102.00 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the call option is exercised on or after the date falling thirty (30) months after the Issue Date to (but not including) the Final Maturity Date;

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

**Final Maturity Date.....** 2 April 2016.

### **Change of Control**

**Change of Control Clause .....** Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or some of, its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of the Change of Control Event.

**Change of Control Event .....** A Change of Control Event means the occurrence of an event or series of events whereby one or more Persons, not being the shareholders as of the Issue date (or an Affiliate of such shareholders), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**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;
- the Issuer shall for as long as any Bonds remain outstanding, ensure that:
  - the ratio of Net Interest Bearing Debt to EBITDA does not exceed 5.5:1;
  - the Interest Coverage Ratio exceeds 1.75:1; and
  - it has Cash immediately available at its disposal corresponding to at least EUR 2,000,000
- a negative pledge, restricting the granting of security on Financial Indebtedness;
- limitations on the making of distributions and disposal of assets;

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

Each of these covenants is subject to significant exceptions and qualifications. See "*Terms and Conditions of the Bonds*".

**Use of Proceeds.....** The net proceed of the offering was used for refinancing of debt and for general corporate purposes.

**Transfer Restrictions.....** The Bonds are subject to certain transfer restrictions set out in the Conditions. The Bonds have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any other jurisdiction. The Bonds are subject to restrictions on transfer and may only be offered or sold in transactions that are exempt from the registration requirements of the U.S.

Securities Act.

**Listing** ..... Application has been made to list the Bonds on NASDAQ OMX Stockholm.

**Agent** ..... Swedish Trustee AB (publ).

**Issuing Agent**..... Pareto Securities AB.

**Governing Law of the Bonds**..... Swedish law.

**Risk Factors** ..... Investing in the Bonds involves substantial risks and prospective investors should refer to “*Risk Factors*” for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.



### STATEMENT OF RESPONSIBILITY

The issuance of EUR 30,000,000 in aggregate principal amount of senior unsecured fixed rate bonds due 2016 was authorised by resolutions taken by the board of directors of the Issuer on 11 March 2013, and was subsequently issued by the Issuer on 2 April 2013. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of NASDAQ OMX 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 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 Lead Manager and 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. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect. The board of directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the board of directors' knowledge, in accordance with the facts and contains no omission likely to affect its import.

21 March 2014

FRANKIS GROUP OYJ

*The Board of Directors*

## DESCRIPTION OF MATERIAL CONTRACTS

*The following is a summary of the material terms of material contracts 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.*

### **Custom Guarantee**

Company has entered into a custom guarantee contract with Nordea Pankki Suomi Oyj with the maximum amount of EUR 120,000. The contract is needed in order for all imported raw material items to be delivered without delay in custom processing. Nordea Pankki Suomi Oyj guarantees that the custom authorities will receive all related custom duties.

### **Hedging arrangements**

In conjunction with the bond issue the remaining senior and junior loans including accrued interests were prepaid. The senior loan interest rate risk was at the time of the loan mitigated through an interest rate swap hedging agreement. As the interest rates were low at the time of prepayment of the senior loan, it was considered best not to terminate the hedging agreement for as long as the interest rates remain low. Current value of the contract is minus EUR 272,919.

### **Other material agreements**

Relating to the transaction in September 2011 where Frankis Group Oyj acquired the subsidiary companies, there is still some pending earn-out payments that will be triggered in connection with a successful roll-out of Serbia operations, a nationwide roll-out of 30 outlets would result in some EUR 700,000 additional payment to the seller, Ab. R. Grönbloom International Ltd.

## 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.

**"Accounting Principles"** means (i) until conversion to IFRS, the generally accepted accounting principles, standards and practices in Finland, as applied by the Issuer in preparing its annual consolidated financial statements for 2012 and (ii) following conversion, international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

**"Adjusted Nominal Amount"** means the Total Nominal Amount less the Nominal Amount of all Bonds held by a Group Company (as nominee or beneficial owner), irrespective of whether such person is registered as a Bondholder.

**"Advance Purchase Agreements"** means an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than 90 days after the date of supply.

**"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 regarding, *inter alia*, the remuneration payable to the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

**"Agent"** means Swedish Trustee AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

**"Bondholder"** means a person who is registered on a Securities Account as a holder of a Bond (as nominee or beneficial owner).

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 15 (*Bondholders' Meeting*).

**"Bonds"** means the debt instruments (*skuldförbindelser*) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

**"Business Day"** means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general business in Stockholm, Sweden (other than over the Internet only).

**"Cash"** means, at any time, (i) cash in hand held by the Issuer or with a reputable bank credited to an account in the name of the Issuer and in each case to which the Issuer is beneficially and legally entitled and which is immediately available to be applied in repayment or prepayment of the Bonds or payment of interest (for the avoidance of doubt, not including e.g. any cash subject to a pledge or similar arrangement (excluding legal right to set-off) or any amount standing on client accounts), and (ii) short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value of the Group.

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more Persons, not being the present shareholders (or an Affiliate of the present shareholders), acting together, acquire control over the Issuer and where **"control"** means (a) acquiring or controlling, directly or indirectly, more than 50 per cent of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**"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.

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items, in accordance with IFRS and before taking into account any Transaction Costs and any other material items of an extraordinary and non-recurring nature which are not in line with the ordinary course of business (such amount being approximately EUR 233,683 for the financial year 2012);
- (d) not including any accrued interest owing to any member of the Group;
- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) 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;

- (h) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (i) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

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

"Event of Default" means an event or circumstance specified in any of the Clauses 12.1 (*Non-Payment*) to and including Clause 12.9 (*Continuation of the Business*).

"Existing Debt" means the aggregate of the loans with (i) Nordea Bank Finland Plc in the amount of approximately EUR 13,100,000, (ii) Etera Mutual Pension Insurance Company in the amount of approximately EUR 6,200,000, and (iii) Sentica Buyout III Ky, Sentica Buyout III Co-Investment Ky, Ab R. Grönblom International Ltd. and certain other minority shareholders of the Issuer in the aggregate amount of approximately EUR 9,000,000, which shall be refinanced through the issue of the Bonds.

"Final Maturity Date" means 2 April 2016.

"Finance Charges" means, for the Reference Period or the Relevant Period (as applicable), 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) without taking account for any unrealised gains or losses on any derivative instruments other than any derivative instrument which are accounted for on a hedge accounting basis and excluding (i) any Transaction Costs and (ii) any break costs paid to Etera Mutual Pension Insurance Company in connection with the refinancing of the Existing Debt owed to Etera Mutual Pension Insurance Company.

"Finance Documents" means these Terms and Conditions and any other document designated by the Issuer and the Agent as a Finance Document.

"Financial Indebtedness" means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans, but for the avoidance of doubt, not including additional purchase price liabilities incurred by the Issuer in connection with the opening of new outlets;
- (b) the amount of any liability in respect of any finance leases, to the extent the arrangement is 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 to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above items (a)-(f).

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

**"Financial Report"** means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available in accordance with Clause 9.1 (*Information from the Issuer*).

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

**"First Issue Date"** means 2 April 2013.

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

**"Incurrence Test"** means the test of the financial incurrence covenants as set out in Clause 10.2 (*Incurrence Covenants*).

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

**"Insolvent"** means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, 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 or is subject to involuntary winding-up, dissolution or liquidation.

**"Interest"** means the interest on the Bonds calculated in accordance with paragraphs (a) to (c) of Clause 7 (*Interest*).

**"Interest Coverage Ratio"** means the ratio of EBITDA to Net Finance Charges.

**"Interest Payment Date"** means 2 April and 2 October of each year. The first Interest Payment Date for the Bonds shall be 2 October 2013 and the last Interest Payment Date shall be the relevant Redemption Date. If an Interest Payment Date falls on a date that is not a Business Day, payment of Interest will be made on the first subsequent 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). No adjustment will be made to an Interest Period, notwithstanding that an Interest Payment Date falls on a date that is not a Business Day.

**"Interest Rate"** means the fixed interest rate of 8.00 per cent. *per annum*.

**"Investors"** means Sentica Buyout III Ky, Sentica Buyout III Co-Investment Ky and AB R. Grönblom International LTD, being shareholders in the Issuer as at the First Issue Date.

**"Issuer"** means Frankis Group Oyj, a public limited liability company incorporated under the laws of Finland with business identity code 2416007-6.

**"Issuing Agent"** means Pareto Öhman AB with Swedish Reg. No. 556206-8956, or another party replacing it, as Issuing Agent, in accordance with 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 OMX 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 the undertakings set out in Clause 11 (*General Undertakings*); or
- (c) the validity or enforceability of the Finance Documents.

**"Material Group Company"** means the Issuer or a Subsidiary representing more than 5.00 per cent of the total assets or EBITDA of the Group on a consolidated basis according to the latest Financial Report.

**"Net Finance Charges"** means, for the Reference Period or the Relevant Period (as applicable), the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period or that Relevant Period (as applicable) to any member of the Group and any interest income relating to cash or cash equivalent investment (and excluding any payment-in-kind interest capitalised on the Promissory Notes).

**"Net Interest Bearing Debt"** means the aggregate interest bearing debt (for the avoidance of doubt, excluding the debt under the Promissory Notes, any capitalised payment-in-kind interest on the Promissory Notes and interest bearing debt borrowed from any Group Company) less cash and cash equivalent investments, calculated in accordance with the Accounting Principles.

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

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

- (a) of the Group incurred pursuant to any Working Capital Financing;

- (b) of the Group incurred pursuant to any lease agreements or financial leasing arrangements incurred in the ordinary course of the Group's business;
- (c) of the Group under any guarantee issued by a Group Company, or provided by such Group Company in any other way (including by way of purchasing, or providing back to back arrangements for, such guarantees from a third party), in the ordinary course of the Group's business;
- (d) incurred by the Issuer under the Promissory Notes (which are subordinated to the Bonds in accordance with the Subordination Agreement);
- (e) taken up by a Group Company from another Group Company;
- (f) arising under any interest rate hedging transactions entered into before 8 March 2013 and under any interest rate hedging transactions or foreign exchange hedging transaction for spot or forward delivery entered into in connection with protection against fluctuation in interest rates or currency rates where such exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any interest rate or foreign exchange transactions for investment or speculative purposes;
- (g) incurred in the ordinary course of business under Advance Purchase Agreements;
- (h) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds Financial Indebtedness, provided that the Incurrence Test is met tested *pro forma* including the acquired entity in question and any Financial Indebtedness incurred pursuant to (i) below; or
- (i) other than any Financial Indebtedness referred to in paragraphs (a) – (h) above, incurred by the Issuer if such new Financial Indebtedness (which, for the avoidance of doubt, shall include the issuance of any Subsequent Bonds), together with any Financial Indebtedness incurred pursuant to paragraph (h) above, (A) meets the Incurrence Test tested *pro forma* including such incurrence (B) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents and under the Agent Agreement, and (C) (other than new Financial Indebtedness incurred as a result of the issue of Subsequent Bonds) has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date.

**"Permitted Security"** means any guarantee or Security:

- (a) created in accordance with the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) granted in assets which are financed with financial leasing arrangements permitted pursuant to paragraph (b) of the definition of "Permitted Debt"; or
- (d) provided in relation to any Working Capital Financing.



**"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.

**"Promissory Notes"** means the three promissory notes issued by the Issuer on or about the first Issue Date to the Investors, respectively, evidencing the loans granted by the Investors to the Issuer in the aggregate principal amount of EUR 5,886,000.

**"Record Date"** means the fifth (5) Business Day prior to an Interest Payment Date, a Redemption Date, the date of a Bondholders' Meeting or another relevant date (or such other Business Day falling prior to a relevant date, if generally applicable on the Swedish bond market).

**"Redemption Date"** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 8 (*Redemption and Repurchase of the Bonds*).

**"Regulated Market"** means NASDAQ OMX Stockholm or any other regulated market (*reglerad marknad*) (as defined in the Swedish Securities Market Act (*Iag (2007:528) om värdepappersmarknaden*)).

**"Reference Dates"** means 31 March, 30 June, 30 September and 31 December in each year as long as any Bonds are outstanding. The first Reference Date shall be 30 June 2013.

**"Reference Period"** means a twelve month period ending on a Reference Date or such shorter period as the context may require.

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

**"Restricted Payment"** means any of the payments referred to in paragraph (a) of Clause 11.2 (*Distributions*).

**"Securities Account"** means an account for dematerialised securities maintained by the CSD in which (i) a beneficial owner of such security is registered or (ii) a beneficial owner's holding of securities is registered in the name of a nominee, or such other securities account in a similar dematerialised system in which the Bonds may be registered from time to time in the name of the beneficial owner or a nominee, as the case may be.

**"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.

**"Stamdata"** means the web site [www.stamdata.se](http://www.stamdata.se).

**"Subordination Agreement"** means the subordination agreement entered into on or before the First Issue Date by and between the Issuer, the Agent and the Investors, regarding the subordination of the debt under the Promissory Notes.

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

**"Subsidiary"** means, in relation to any person, means a subsidiary of the Issuer according to Chapter 8 Section 12 of the Finnish Companies Act (or under such provision as may replace this provision).

**"Total Nominal Amount"** means the total 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 issue of Bonds and (ii) the refinancing of Existing Debt.

**"Working Capital Financing"** means any working capital facility (including guarantee facilities) in an aggregate principal amount not exceeding EUR 1,000,000 (or its equivalent in other currencies) at any time.

**"Written Procedure"** means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16 (*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, 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) 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 Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to otherwise comply with these Terms and Conditions.

- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Bond is EUR 100,000 (the "**Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is EUR 30,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) The minimum permissible investment upon issuance of the Bonds is EUR 100,000.
- (e) Provided that (i) no Event of Default is continuing or would result from such issue and (ii) the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds. Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the nominal amount and the final maturity applicable to the Initial Bonds shall apply also to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a higher price than the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and the Subsequent Bonds) may not exceed EUR 45,000,000.
- (f) The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *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.
- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) Other than the registration of the Bonds under Swedish law, 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 where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### 3. Use of Proceeds

The Issuer shall use the proceeds from the issue of the Bonds, less the Transaction Costs in the approximate amount of EUR 700,000, for (i) refinancing of the Existing Debt and (ii) increasing the cash position of the Issuer with an approximate amount of EUR 1,100,000.

### 4. 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 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 (*föräldrabalken*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer shall be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall obtain such information and promptly provide it to the Agent or provide the Agent with a power of attorney to obtain the relevant information.
- (d) For the purpose of or in connection with any Noteholders' Meeting under Clause 15 (*Bondholders' Meeting*) or any direct communication to the Bondholders under Clause 16 (*Written Procedure*), the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.

## 5. Right to Act as a Bondholder

- (a) In respect of Bonds registered in the name of an authorised nominee (*förvaltare*) in accordance with the Financial Instruments Accounts Act or otherwise registered in the name of a nominee as holder, the nominee shall be deemed to be the Bondholder for the purpose of applying these Terms and Conditions. If the beneficial owner (*ägaren*) of any Bonds registered in the name of a nominee wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney from the Bondholder or a successive, coherent chain of powers of attorney starting with the Bondholder and authorising the beneficial owner or provide other evidence of ownership satisfactory to the Agent.
- (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 these Terms and Conditions 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.

## 6. Payments in Respect of the Bonds

- (a) Any payment or repayment under the Finance Documents shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect the payment of amounts according to the aforesaid, the CSD will pay such amount to the relevant Bondholder being registered as such on the Record Date as soon as possible after such obstacle has been removed.

- (c) If payment or repayment is effectuated in accordance with this Clause 6, 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.

## **7. 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) The Interest shall be calculated on a 30/360-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 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 in case the failure to pay was attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **8.1 Redemption at Maturity**

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

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

A Group Company may, subject to applicable law, at any time purchase Bonds on the market or in any other way. Bonds held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, be cancelled.

### **8.3 Voluntary Total Redemption**

- (a) The Issuer may redeem all, but not only some, outstanding Bonds in full:
  - (i) at any time from and including the First Call Date to, but excluding, the first Business Day falling twenty-four (24) months after the First Issue Date with an amount per Bond equal to 104 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (ii) at any time from and including the first Business Day falling twenty-four (24) months after the First Issue Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date with an amount

per Bond equal to 103 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and

- (iii) at any time from and including the first Business Day falling thirty (30) months after the First Issue Date to, but excluding, the Final Maturity Date with an amount per Bond equal to 102 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with paragraph (a) above shall be made by the Issuer giving not less than twenty (20) Business Days' notice to the Bondholders and the Agent and in accordance with the instructions of the Issuer or the Issuing Agent, as applicable. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in full with the applicable amounts.

#### **8.4 Mandatory Repurchase due to a Change of Control Event**

- (a) Upon a Change of Control Event occurring, each Bondholder shall have the right to request that all, or some of, its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of sixty (60) Business Days following a notice from the Issuer of the Change of Control Event pursuant to paragraph (b) of Clause 9.1 (*Information from the Issuer*) (after which time period such rights lapse).
- (b) The notice from the Issuer pursuant to paragraph (b) of Clause 9.1 (*Information from the Issuer*) shall include instructions about the actions that a Bondholder needs to take if it wants the Bonds held by it to be repurchased.
- (c) If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due no later than twenty (20) Business Days from the end of the period referred to in paragraph (a) above.
- (d) Any Bonds repurchased pursuant to this Clause 8.4 may at the Issuer's discretion be retained, sold or cancelled.

### **9. Information to Bondholders**

#### **9.1 Information from the Issuer**

- (a) The Issuer will 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;

- (iii) its unaudited consolidated financial statements and the year-end report (*bokslutskommuniké*) (as applicable) for such period; and
  - (iv) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are listed.
- (b) The Issuer shall immediately notify the Bondholders and the Agent when the Issuer is or becomes aware of the occurrence of a Change of Control Event.
  - (c) The latest version of these Terms and Conditions shall be available on the websites of the Issuer and the Agent (being Stamdata, for as long as Swedish Trustee AB (publ) is the Agent).
  - (d) When the financial statements and other information are made available the Bondholders pursuant to paragraph (a) above, the Issuer shall send copies of such financial statements and other information to the Agent.
  - (e) Together with each annual audited financial statement and each relevant quarterly interim unaudited report, and provided the Agent has reason to believe that an Event of Default has occurred or is likely to occur, within 30 days from the Agent's request, the Issuer shall submit to the Agent a compliance certificate. Such compliance certificate shall be in a form agreed between the Issuer and the Agent and shall contain (i) a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it, (ii) calculations and figures in respect of the ratio of Net Interest Bearing Debt to EBITDA and the Interest Coverage Ratio (and the basis on which they have been calculated), (iii) a balance sheet statement evidencing that it has Cash immediately available at its disposal corresponding to at least EUR 2,000,000 and (iv) copies of any notices sent to the Regulated Market on which the Bonds are listed.
  - (f) The Issuer shall immediately notify the Agent (with full particulars) when the Issuer is or becomes aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the 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 9.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the 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 9.1.

## 9.2 Information from the Agent

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.

## 10. Financial Undertakings

### 10.1 Maintenance Covenants

- (a) For so long as any Bonds remain outstanding, the Issuer shall ensure that:
  - (i) the ratio of Net Interest Bearing Debt to EBITDA for the Reference Period ending on each Reference Date does not exceed 5.5:1;
  - (ii) the Interest Coverage Ratio for the Reference Period ending on each Reference Date exceeds 1.75:1; and
  - (iii) it has Cash immediately available at its disposal corresponding to at least EUR 2,000,000,

calculated for the Group and based on the most recently delivered consolidated financial statements for the Issuer.
- (b) The figures for EBITDA, Finance Charges and Net Finance Charges for the Reference Period shall be used, but adjusted so that entities acquired or disposed of by the Group during the Reference Period or after the end of the Reference Period but before the relevant Reference Period, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period.

### 10.2 Incurrence Covenants

The Incurrence Test is met if, at the relevant time:

- (a) the ratio of Net Interest Bearing Debt to EBITDA for the Relevant Period ending on the relevant testing date does not exceed 4.0:1; and
- (b) the Interest Coverage Ratio for the Relevant Period ending on the last day of the period covered by the most recent Financial Report exceeds 2.25:1,

calculated in accordance with the calculation principles set out in Clause 10.3 (*Calculation Adjustments*).

### 10.3 Calculation Adjustments

- (a) Any calculation of the ratio of Net Interest Bearing Debt to EBITDA shall be made as per a testing date determined by the Issuer, falling no more than one month prior to the incurrence of the new Financial Indebtedness. The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but



include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). EBITDA shall be calculated as set out in paragraph (c) below.

- (b) The figures for EBITDA, Finance Charges and Net Finance Charges for the Relevant Period ending on the last day of the period covered by the most recent Financial Report (in case of a calculation pursuant to Clause 10.2 (*Incurrence Covenants*) shall be used, but adjusted so that:
  - (i) entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
  - (ii) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period.

## **11. General Undertakings**

### **11.1 General**

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 11 for as long as any Bonds remain outstanding.

### **11.2 Distributions**

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend on its shares (other than loans and group contributions);
  - (ii) repurchase any of its own shares;
  - (iii) redeem its share capital or other restricted or unrestricted equity with payment to shareholders;
  - (iv) grant any loans (other than to the Issuer or a wholly-owned Subsidiary of the Issuer);
  - (v) repay (or prepay) principal under the Promissory Notes; or
  - (vi) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer (other than the Issuer or another Subsidiary of the Issuer).
- (b) Notwithstanding paragraph (a) above, Restricted Payments may be made by:
  - (i) the Issuer or any of its Subsidiaries to a direct or indirect shareholder of the Issuer, if at the time of the payment, (A) no Event of Default is continuing, (B) the Incurrence Test is met (calculated on a *pro forma* and including the relevant Restricted Payment) and (C) the aggregate amount of all Restricted Payments of the Group in any fiscal year (including the

Restricted Payment in question) does not exceed 50 per cent. of the Group's consolidated net profit for the previous fiscal year;

- (ii) the Issuer or any of its Subsidiaries if such Restricted Payment is made to the Issuer or to any Subsidiary of the Issuer and, if made by a Subsidiary which is not wholly-owned, is made on a pro rata basis; or
- (iii) the Issuer, if such Restricted Payment consists of a group contribution, provided that no cash or other funds are transferred from the Issuer as a result thereof (*i.e.*, the group contributions are merely accounting measures) and provided that such distribution is subsequently converted into a shareholder's contribution to the Issuer as soon as practically possible.

### **11.3 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 as of the Issue Date.

### **11.4 Financial Indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries, incur any additional Financial Indebtedness (other than under the Finance Documents), provided however that the Issuer and the Subsidiaries have a right to incur Financial Indebtedness that constitute Permitted Debt, if such Permitted Debt is incurred on market terms (or better).

### **11.5 Disposals of Assets**

The Issuer shall not, and shall procure that no Material Group Company, sell or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or a Material Group Company's assets, or operations to any person not being the Issuer or any of its Material Group Companies, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not, in the reasonable opinion of the Agent, have a Material Adverse Effect. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with (i) any information relating to the transaction which the Agent deems necessary (acting reasonably) and (ii) a determination from the Issuer which states whether the relevant transaction has a Material Adverse Effect or not. The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction may have any Material Adverse Effect, but is not bound by the Issuer's determination whether the transaction has a Material Adverse Effect or not.

### **11.6 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 at arm's length terms.

### **11.7 Negative Pledge**

The Issuer shall not, and shall procure that none of its Subsidiaries, provide, prolong or renew any guarantee or security over any of its/their assets (present or future) to secure any loan or other indebtedness, provided however that the Group Companies have a right to (i) provide, prolong and renew any Permitted Security, and (ii) retain, but not prolong or renew, any existing security in relation to Financial Indebtedness held by an entity acquired by a Group Company.

### **11.8 Payment of Taxes and Fees**

The Issuer shall pay any stamp duty and other public fees accruing in connection with the issue of Bonds, but not in respect of trading in the secondary market (except to the extent required by applicable laws), and shall deduct at source any applicable withholding tax payable pursuant to law.

### **11.9 Listing of the Bonds**

- (a) The Issuer shall use its best efforts to ensure that the Bonds are listed on NASDAQ OMX Stockholm within one (1) year after the First Issue Date, and that it remains admitted or, if such listing is not possible to obtain or maintain, listing on another Regulated Market. Upon any issue of Subsequent Bond, the Issuer shall promptly, but not later than ten (10) Business Days after the relevant issue date, procure that the volume of Bonds listed is increased accordingly.
- (b) The Issuer shall, following the listing, take all actions on its part to maintain the admission as long as any Bonds are outstanding, however not longer than up to and including the last day on which the listing reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

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

Each of the events or circumstances set out in this Clause 12 (other than Clause 12.10 (*Acceleration of the Bonds*)) is an Event of Default.

### **12.1 Non-Payment**

The Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:

- (a) is caused by technical or administrative error; and
- (b) is remedied within five (5) Business Days from the due date.

### **12.2 Other Obligations**

The Issuer does not comply with any terms or conditions of the Finance Documents to which it is a party (other than those terms referred to in Clause 12.1 (*Non-Payment*)) or the Subordination Agreement, provided that the Agent has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within 15 Business Days from such request (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request).

### **12.3 Cross-Acceleration**

Any Financial Indebtedness of any Group Company is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this Clause 12.3 if the aggregate amount of Financial Indebtedness declared to be or otherwise becoming due and payable is less than EUR 2,000,000.

### **12.4 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 with a view to rescheduling its Financial Indebtedness; or
- (b) a moratorium is declared in respect of any Financial Indebtedness of any Material Group Company.

### **12.5 Insolvency Proceedings**

- (a) Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 30 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to:
- (b) 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
- (c) 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.

### **12.6 Mergers and Demergers**

- (a) A decision is made that any Material Group Company shall be demerged or merged into a company which is not a Group Company, unless the Agent has given its consent (not to be unreasonably withheld or delayed) in writing prior to the merger and/or demerger (where consent is not to be understood as a waiver of the rights that applicable law at the time assigns the concerned creditors).
- (b) The Issuer merges with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

### **12.7 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 EUR 1,000,000 and is not discharged within 30 days.

## 12.8 Impossibility or Illegality

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

## 12.9 Continuation of the Business

The Issuer or any other Material Group Company ceases to carry on its business (other than in the case of (i) a merger or demerger as stipulated Clause 12.6 (*Mergers and Demergers*) or (ii) a disposal of assets which is permitted in accordance with Clause 11.5 (*Disposals of Assets*)).

## 12.10 Acceleration of the Bonds

- (a) If an Event of Default has occurred, the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the Bonds due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) Notwithstanding any other provisions in these Terms and Conditions, acceleration of the Bonds on the grounds mentioned in Clause 12.2 (*Other Obligations*) above or, regarding any of the Issuer's Subsidiaries, on the grounds mentioned in Clauses 12.4 (*Insolvency*) to and including Clause 12.9 (*Continuation of the Business*), above may only occur if the nature of the particular circumstance is such that it would have a Material Adverse Effect and that the cause of termination is continuing at the time of the Agent's declaration of acceleration. However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the ground mentioned under Clause 12.4 (*Insolvency*) above.
- (c) If the Bondholders instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (d) 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.
- (e) In the event of an acceleration of the Bonds in accordance with this Clause 12, the Issuer shall redeem all Bonds with an amount equal to the redemption amount specified in Clause 8.3 (*Voluntary Total Redemption*), as applicable considering when the acceleration occurs.

### 13. 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 12 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement, (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been reasonably incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with paragraph (e) of Clause 18.2 (*Duties of the Agent*), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with paragraph (k) of Clause 14 (*Decisions by Bondholders*);
  - (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds;
  - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.
- Any excess funds after the application of proceeds in accordance with paragraphs (i) to (iv) above shall be paid to the Issuer.
- (b) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (*redovisningsmedel*) and must be held on a separate account on behalf of the Bondholders and the other interested parties. The Agent shall promptly arrange for payments of such funds to be made in accordance with this Clause 13.

### 14. Decisions by Bondholders

- (a) Any decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount 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. If in the Agent's opinion it is not detrimental to the interests of the Bondholders, the Agent may decide that the relevant matter shall be dealt with by way of a Written Procedure.
- (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 5 (*Right to Act as a Bondholder*) from a person who is 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 paragraph (c) of Clause 16 (*Written Procedure*), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least 75 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders are replying in a Written Procedure in accordance with the instructions given pursuant to paragraph (c) of Clause 16 (*Written Procedure*):

- (i) a change to the terms of any of paragraphs (a) or (f) to and including (h) of Clause 2 (*Status of the Bonds*);
- (ii) a change to the Interest Rate or the Nominal Amount;
- (iii) a change to the terms for the distribution of proceeds set out in Clause 13 (*Distribution of Proceeds*);
- (iv) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 14;
- (v) an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
- (vi) a mandatory exchange of the Bonds for other securities; and
- (vii) early redemption of the Bonds, other than an acceleration of the Bonds pursuant to Clause 12 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted by these Terms and Conditions.

- (f) Any matter not covered by paragraph (e) above shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders voting at a Bondholders' Meeting or for which Bondholders are replying in a Written Procedure in accordance with the instructions given pursuant to paragraph (c) of Clause 16 (*Written Procedure*). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to paragraphs (a)(i) or (a)(ii) of Clause 17

(*Amendments and waivers to the Finance Documents*), an acceleration of the Bonds.

- (g) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits or reduces 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.
- (h) 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.
- (i) 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.
- (j) A matter decided by a resolution passed 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.
- (k) 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.
- (l) 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 held by Group Companies (as nominee or beneficial owner), irrespective of whether such person is registered as a Bondholder.
- (m) Minutes from a Bondholders' Meeting and the result of a Written Procedure shall, promptly after the minutes have been finalised, be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent (being Stamdata, for as long as Swedish Trustee AB (publ) is the Agent), provided that a failure to do so shall not invalidate any decision made or voting result achieved.

## **15. 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 paragraph (a) above with a copy to the Agent. After a request from the Bondholders pursuant to paragraph (c) of Clause 18.4 (*Replacement of the Agent*), 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 paragraph (a) above.

- (c) The notice pursuant to paragraph (a) above shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) 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 ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- (e) Quorum at a Bondholders' Meeting only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount attend the meeting in person or by telephone conference (or appear through duly authorised representatives).
- (f) If a quorum does not exist at one Bondholders' Meeting, the Agent or the Issuer may convene a second Bondholders' Meeting (in accordance with paragraph (a) above). The quorum requirement in paragraph (e) above shall not apply to such second Bondholders' Meeting.

## **16. 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 a Bondholder on the Record Date 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 paragraph (a) above to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to paragraph (a) above shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person shall 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 ten (10) Business Days from the communication pursuant to paragraph (a) above). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) Quorum for a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount replies in the Written Procedure.

- (e) If a quorum is not achieved in a Written Procedure through received answers at the end of the time for replies, the Agent or the Issuer may instigate a new Written Procedure. The quorum requirement in paragraph (d) above shall not apply to such second Written Procedure.
- (f) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to paragraphs (e) and (f) of Clause 14 (*Decisions by Bondholders*) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to paragraphs (e) and (f) of Clause 14 (*Decisions by Bondholders*), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **17. Amendments and waivers to the Finance Documents**

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to waive and/or amend the Finance Documents, provided that:
  - (i) such waiver and/or amendment does not adversely affect the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such waiver and/or amendment is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such waiver and/or amendment has been duly approved by the Bondholders in accordance with Clause 14 (*Decisions by Bondholders*).
- (b) The Agent shall promptly notify the Bondholders of any waivers and/or amendments made in accordance with paragraph (a) above, setting out the date from which the waivers and/or amendments will be effective, and ensure that the waivers and/or amendments are duly registered with the CSD and each other relevant organisation or authority.

## **18. Appointment and Replacement of the Agent**

### **18.1 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. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- (b) 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.

- (c) 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.
- (d) 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.
- (e) 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.

## 18.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders.
- (c) The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill. The Agent is entitled to delegate its duties to other professional parties, provided that such professional parties are selected with due care.
- (d) When acting pursuant to the Finance Documents, the Agent shall 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.
- (e) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents. 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 13 (*Distribution of Proceeds*).
- (f) 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.
- (g) 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, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such indemnities (or adequate Security has been provided therefore) as it may reasonably require.

### **18.3 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 engaged by 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 for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 14 (*Decisions by Bondholders*) or a demand by Bondholders given pursuant to paragraph (a) of Clause 12.10 (*Acceleration of the Bonds*).
- (e) 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.

### **18.4 Replacement of the Agent**

- (a) Subject to paragraph (f) below, 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) If the Agent is Insolvent, the Agent shall be deemed to have resigned 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 ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer, 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 effected 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) Except pursuant to paragraph (b) above, 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 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 in the identity of the Agent in accordance with this Clause 18, 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.

## **19. 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.

## **20. No Direct Actions by Bondholders**

- (a) A Bondholder may not take any steps whatsoever against the Issuer 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 or bankruptcy of the Issuer (or its equivalent in any other jurisdiction).

- (b) Paragraph (a) above shall not apply if the Agent has been instructed by the Bondholders to take certain actions but is legally unable to take such actions.

## 21. 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 (*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.

## 22. Notices

- (a) 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 (*Bolagsverket*) on the Business Day prior to dispatch;
  - (ii) if to the Issuer, shall be given at the address registered with the Finnish Trade Register (*Handelsregistret*) on the Business Day prior to dispatch; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Record Date prior to dispatch, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent (being Stamdata, for as long as Swedish Trustee AB (publ) is the Agent).
- (b) Subject to paragraph (c) below, 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 delivery or letter and will only be effective, in case of courier delivery, when it has been left at the address specified in paragraph (a) above or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in paragraph (a) above.
- (c) 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.

## **23. 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.
- (a) The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

## DESCRIPTION OF THE GROUP

### History and development

Frankis Group Oyj was incorporated on 30 June 2011 and is a public limited liability company with corporate registration number 2416007-6. Frankis is a Finland-based group of companies engaged in the franchise business for quick service restaurants. The Group was created when the units were acquired by Sentica Partners. Kotipizza Oyj, now part of Frankis, was founded in 1987 by Rabbe Grönblom, with its first restaurants being in Vaasa, Finland. The Group consists of units that focus on special knowledge in the Quick Service Restaurant value chain, including sourcing and purchasing of raw materials, marketing, franchise management, product development and accounting services.

The registered office of the Company is PL 6969, 65101, Vaasa and the Company's headquarter is located at Hermannin rantatie 8, FI-00580, Helsinki with telephone number +358 207 716 700.

The Group operates under Finnish law. However, some agreements with international raw material suppliers are subject to foreign legislations. Furthermore, the contract with the Group's Serbian partner, NIS, is under Serbian law.

In accordance with the articles of association of the Company, adopted on 18 August 2011, the objects of the Company are:

- Operating restaurants and cafeterias;
- Wholesale and distribution of raw materials and equipment;
- Renting of facilities;
- Owning and trading shares, bonds, facilities and other assets in Finland and abroad;
- Providing administrative services to group companies; and
- Providing security and guarantees on behalf of group companies.

### Business and operations

The Group has three different brands in its portfolio. The brands are marketed through two different business models, the franchise concept and the shop-in-shop concept, where the Group works closely together with a third party, such as a gas station. Franchise restaurants within the Group are characterised by good service, high quality products, clean restaurants and prime locations.

The Group's vision is to become a leading fast-food player in the Baltic Sea region. The Group aims to continuously develop its value proposition to its customers and franchisees and grow in the domestic market.

#### *Kotipizza*

Kotipizza is the major brand in the Group portfolio and accounts for the majority EBITDA of the Group. There are 276 Kotipizza restaurants as per 25 February 2014, of which 267 are operated by entrepreneurs under franchising agreements and 9 stores are operated by the Group. Kotipizza has 270 restaurants located in Finland, five restaurant located in Serbia and one located in Sweden. Kotipizza's success is the result of a well-developed and comprehensive restaurant concept with ambitious product development defined to the smallest level of detail, offering customers an eating experience full of unique and high-quality flavours.



Kotipizza stands for uncompromised product manufacturing with each ingredient being carefully selected to guarantee its delicious flavour, freshness and sustainable production. The majority of ingredients are Kotipizza's own private label products and a result of a long-term development and cooperation with Finland's and the world's leading manufacturers and suppliers of raw materials. These tailor-made private label products are solely manufactured for Kotipizza franchisees.

All products are made-to-order and according to the customer requests ensuring fresh, tailor-made and delicious end products. Each pizza crust is made by hand and thrown in the air for a perfectly round and evenly thin crust, without ever using a rolling pin. Throwing the pizza creates a centrifugal force ensuring an evenly thin crust and also removing excess flour from the dough, which would otherwise result in burning on the hot oven grate. The pizzas are heated in an oven temperature of 330°C for 3 minutes at which the pizza is crispy and golden brown and topped with tomato sauce and perfectly melted cheese. To achieve consistent top-quality products it is mandatory for all Kotipizza-entrepreneurs and staff to go through training to learn the special Kotipizza technique and process for making the products.

The product portfolio consists of continuously developed new innovations owing to its centralized product development process. Due to its nationwide coverage and close interaction with consumers through various media, it is able to offer its consumers creative and innovative new products. With Pizza Berlusconi, Kotipizza won the America's Plate International's Pizza Competition in 2008. Some other successful examples are consumer favorites such as the Burger Pizza, Kebab Kotzone and the Monster Pizza.

#### *55 Burger*

The hamburger business 55 Burger was launched in April 2011. There are currently 36 shop-in-shop restaurants in roadside locations through the shop-in-shop concept in co-operation with service station chains in Finland. The products differentiate by offering genuine flavors using a special grilling technique, compared to mass produced hamburgers. The products taste home-made with robust flavors and high-quality ingredients. The burgers are made on a grill instead of using a hamburger press. Operational efficiency is achieved by offering a limited menu consisting of seven burger alternatives combined with fries and beverages.

#### *Café Darwin*

Café Darwin is a concept developed to complement Kotipizza's product offering by providing customers with a broad choice of café products. Currently, there are 9 Café Darwins, normally located in conjunction with Kotipizza restaurants in shopping centers, Omena hotels or Bauhaus. The Group does not aim to further expand the Café Darwin business, but has no immediate plans to terminate the current business. Limited management resources and no capex is allocated to the business. Café Darwin represents a minor part of the Group's sales.

#### ***Kotipizza and 55 Burger - Value creation***

The Group provides franchise related services to the entrepreneurs, thus achieving economies of scale and operating leverage for Frankis and its franchisees. The main services offered to its franchisees are, central purchasing through Helsinki Foodstock Oy ("**Foodstock**"), marketing through MOK, product development, accounting services through Francount, amongst other support services.

### *Central purchasing of raw materials - Foodstock*

Purchasing is coordinated centrally through Foodstock for all restaurants in the Group. Entrepreneurs are required to use Foodstock in order to ensure the quality and consistency of the product offering to customers throughout the store network. The Group negotiates supplier agreements with key raw material providers through its subsidiary Foodstock. Currently, the network includes tier-1 suppliers such as Euro Pizza Products (pizza dough), Valio (cheese), Saarioinen (meats) and Sinebrychoff (beverages). Dough and cheese are private label products, produced exclusively for Kotipizza. Valio, Saarioinen and Sinebrychoff are traditional Finnish companies with sizeable operations and very good reputation. The Group has longstanding relationships with all these actors from over 15 years of cooperation. In the event that any of these suppliers would not be able to supply the Group with raw materials, alternative suppliers would be available. For other supplies, Foodstock handles the purchasing based on specifications from Kotipizza and 55 Burger. Other raw materials, such as tuna, pizza sauce and pineapple, etc., is acquired internationally. Review of new suppliers is an on-going process for the Group, with up-to-date information to guarantee continuous supply in any event. Foodstock has a network of over 300 raw material suppliers, both in Finland and abroad.

The entrepreneurs are obligated to maintain sufficient inventory of all required products. All inventory held by Foodstock is designated to specific customers and the customers are contractually obliged to purchase any inventory left, should the customer terminate its business. Hence, there is no risk for inventory obsolescence.

Franchise entrepreneurs order supplies through Foodstock's online platform which is similar to a web shop (24/7). After the order is placed, Foodstock's system processes, collates and forwards all orders to the relevant supplier or Foodstock's own warehouses. Foodstock maintains its own inventory of raw materials.

Thereafter, Foodstock invoices the franchise entrepreneurs directly in a transparent manner. The transportation cost is directly borne by the entrepreneurs, encouraging them to be more efficient in planning their orders. Logistics and transportation to the entrepreneurs are handled by three parties. Itella is the logistic partner for ambient products, e.g. boxes, spices, tuna. Valio delivers all frozen and cold products, including meat products, which Saarioinen delivers to Valio, as well as Euro Pizza Products' frozen pizza dough (from Foodstock's own warehouse). Sinebrychoff delivers beverages directly to the entrepreneurs.

### ***Joint marketing activities - MOK***

#### *Marketing operations and strategy*

Marketing is coordinated jointly through the franchisee owned unit Kotipizza Markkinointiosuuskunta ("MOK"), to ensure consistent brand positioning and cost efficiency.

Marketing is carried out by way of TV commercial, direct marketing, in-store marketing, radio, online, digital menu boards, outside services and sports marketing. Pizza is generally purchased spontaneously. Hence, timely marketing is of essence and the Group focuses its marketing efforts towards lunch time.

Kotipizza is also present in social media with its own Facebook page with more than 50 000 friends. The Group utilises the page and its followers by actively asking for their opinions on

novelties and future ideas. This has been extremely useful in gaining input from a larger and diverse consumer base through open dialogue and conversations on a daily basis.

### ***Product development***

Product development is conducted both in terms of enhancing the existing product offering and bringing new, innovative products to consumers. Enhancements may include adjusting factors such as ingredients and packaging to improve product quality or streamline logistics. Ideas for new products are gathered from customers, competitors, entrepreneurs and other global channels, and new products are tested throughout the year.

Kotipizza has a structured development process when launching new products, which includes product testing, financial feasibility assessment and a pilot phase in selected stores before roll-out across the entire store network. The suppliers are included in the process in order to understand and take into account the entire supply chain. Through a rigorous test marketing phase carried out in selected stores, the development team retrieves valuable customer feedback.

### ***Accounting services - Francount***

Francount is a separate business unit within the Group that provides accounting and financial services mainly to other units in the Group and franchisees. With 20 years of experience, it represents the best expertise in the Finnish fast food market and generates stable revenues to the Group. The services Francount offers include accounting, payment processing, annual reports, tax reports, etc. The subsidiary employs some 20 people, of whom six primarily work with other Group companies, such as Foodstock, and the rest provide services for Kotipizza and franchise entrepreneurs.

Financial services is an additional support function offered to the franchise entrepreneurs and 75-80 percent of entrepreneurs use the services offered by Francount, whereas most shop-in-shop restaurants benefit from the services provided by the service station chain and therefore do not need services from Francount.

## **Share capital and ownership structure**

The shares of the Company are denominated in EUR. 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 EUR 80.000, divided into 544 275 188 number of shares.

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

<b><i>Shareholder</i></b>	<b><i>No. of shares</i></b>	<b><i>Voting rights and capital</i></b>
<b>Sentica Partners' funds</b>		
Sentica Buyout III Ky	380.992.631	70.00 %
Sentica Buyout III Co-investment Ky	14.843.869	2.73 %
<b>Other shareholders</b>		
RGI	108.855.038	20.00 %
Management	26.250.210	4.82 %
Other owners	13.333.440	2.45 %

***Sentica Partners' funds – 72.73 %***

Frankis Group's largest owner is Sentica Partners with 72.73 % of the shares.

Sentica Partners is an independent private equity company focusing on acquiring and developing Finnish small and mid-sized companies. The funds under Sentica Partners' management amount to some EUR 300,000,000 with fund investors consisting of Finnish institutional investors and high quality European fund of funds. Sentica Partners employs 15 professionals and two senior advisors who work in Helsinki, Tampere and Kuopio. Sentica Partners is owned by its seven partners and is a member of the Finnish Venture Capital Association.

Sentica Partners is an active and committed owner, early in the holding period of Frankis Group, and will support its future development. Sentica Partners has funds available to support Frankis Group, one of nine current holdings in Sentica Buyout III. The fund Sentica Buyout III has total capital commitments of approximately EUR 120,000,000. No further acquisitions will be made by the fund. Thus, the fund has in excess of EUR 20,000,000 to support its portfolio companies. So far, Sentica Partners has utilized only half of the permitted amount under its total investment mandate for Frankis Group.

***RGI (Ab. R. Grönblom International Ltd.) – 20.00 %***

RGI functions as an active management company of the Group and offers various management services to Group companies.

Besides its engagement in the Company, RGI conducts hotel and accommodation businesses through a number of subsidiaries.

***Management shareholders – 4.82 %***

Management owners include the operative management team including:

Mr. Tommi Tervanen

Mr. Kari Leppilahti

Mr. Marko Fonsén

Mr. Heikki Sikström

Mr. Vesa Pollari

Mr. Anssi Koivula

***Other owners – 2.45 %***

Other owners include board members Mr. Kim Hanslin and Mr. Olli Väättäinen.

**Shareholder agreements**

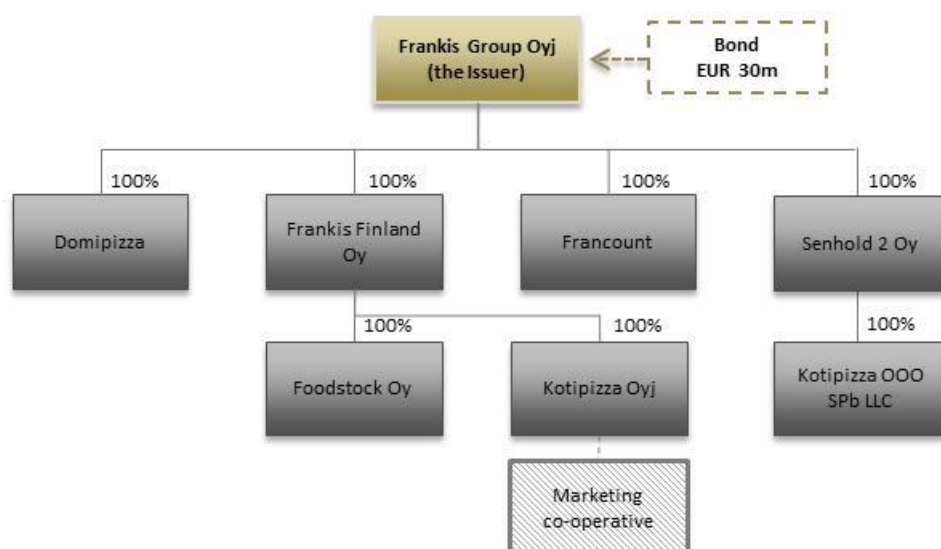
All the shareholders of Frankis Group have signed a shareholders' agreement. The shareholders agreement's main terms include:

- board composition (total of six of which Sentica will appoint three, RGI one and the remaining two on the shareholders' meeting of the Company.)
- Management shareholders' working obligation (good / bad leaver)
- Sentica's right to exit (drag / tag along rights and obligations towards the other shareholders)

- Non-competition and non-solicitation undertaking by RGI and the management shareholders

### Overview of Group structure

Currently, Frankis Group Oyj, has seven wholly owned subsidiaries; Domipizza Oy, Frankis Finland Oy, Francount Oy, Senhold 2 Oy, Helsinki Foodstock Oy, Kotipizza Oy and Kotipizza OOO SPb LLC. Operations are conducted in the subsidiaries and the Company is thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds. Frankis Group Oyj is the parent company for the group of companies where operations are conducted.



The group's main operation are under Frankis Finland Oy. Helsinki Foodstock Oy is the raw material and wholesale unit and Kotipizza Oy is the company holding the Kotipizza, 55 Burger and Cola and Fries brands. Francount Oy is accounting support function for the group and franchisees. Senhold 2 Oy is a holding company for Russian operations that have been terminated. Domipizza Oy previously conducted pizza snack operations which has subsequently been terminated as non-strategic operations with small volumes.

### Recent events

The Group has changes its advertisement agency and reviewed its marketing strategy and plan. Early signals of positive impact on sales have been notices and the management believes in long term sales growth potential along with marketing and concept development initiatives. Some organizational changes were made to be able to control and steer the concept more effectively on the domestic market. The Group has expanded its operations in Serbia and established operations in Sweden with local partners with a master franchise model with limited financial risks. The franchise restaurant in Russia has been discontinued.

### Significant adverse changes

There has been no material adverse change in the prospects of the Company since the date of publication of its last audited annual accounts and no significant change in the financial or

market position of the Group since the end of the last financial period for which interim financial information has been published.

Other than certain events stated under section “*Recent events*” above, there have been no recent event particular to the Company which are to a material extent relevant to the evaluation of the Company’s solvency.

**Credit rating**

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

## MANAGEMENT

*The board of directors of the Issuer currently consists of 4 members. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Hermannin rantatie 8, FI-00580, Helsinki. Further information on the members of the board of directors and the senior management is set forth below.*

### Board of directors

#### ***Johan Wentzel, chairman of the board since 2011***

**Education:** M.Sc. (Econ.), Finance – Hanken Svenska Handelshögskolan.  
**Other commitments:** Chairman of the board of Teleforce Group, Chairman of the board of Arme Oy and Partner at Sentica Partners Oy.  
**Previous commitments:** Board member of Investo Omaisuudenhoido Oy and Corbel Oy, Co-Head of Investment Banking at Kaupthing Bank and Director of Investment Banking at D. Carnegie AB.

#### ***Rabbe Grönbloom, member of the board since 2011***

**Experience:** Founder of Kotipizza, British Honorary Consul and Kauppaneuvos (Commercial Counsellor).  
**Other commitments:** Board member / Chairman: Ab R Grönbloom International Ltd, Omena Hotellit Oy, Omena Hotellit Finland Oy, Omena Hotels Sweden Ab, Omena Hotels Denmark A/S, Omena Oteli Ltd, RG Myymälät Oy, Kiinteistö Oy Kuusamon Plantingiharju and Royalruka Oy  
**Previous commitments:** Founder of Pizzeria No.1, Founder of Pizzeria Rax Family / Golden RAX Pizza Buffet, Owner of Hotel Royal Vaasa, Chairman of RG Line Oy Ab and Board member of Nokia Renkaat Oy.

#### ***Olli Väättäinen, member of the board since 2011***

**Education:** M. Sc. (econ) – University of Jyväskylä  
**Other commitments:** Senior Adviser of Sentica Partners Oy, Chairman of Business Oy and Sofia Digital, Board member of Silta Oy and Descom Oy.  
**Previous commitments:** Chairman of Corbel Oy, Chairman of Openbit Oy, Chairman of Integware Oy and Several CEO positions in Finnish ICT companies.

#### ***Kim Hanslin, member of the board since 2012***

**Other commitments:** Board member of Lindström Oy.  
**Previous commitments:** CEO of McDonald's OY and CEO of Suomen C-Gry Oy.

### Management team

#### ***Tommi Tervanen, CEO***

**Education:** B. Sc. Business University of Tampere  
**Previous commitments:** Founder of Helsinki Foodstock Oy, more than 20 years of experience from the Finnish food market and international raw material sourcing, Mr. Tervanen was crucial in the development of the new wholesaling standards in Finland, including private label

products and Mr. Tervanen worked for Kesko Food Ltd between 1993-2003 as Buyer and Product Manager.

***Kari Leppilahti, CFO***

**Education:** M.Sc. Economics at University of Vaasa  
**Previous commitments:** Joined Kotipizza in 1998 and has previous experience as CFO I Oy Sisu Auto Ab(1996-1998) and various roles at ABB Oy (1986-1995).

***Vesa Pollari, Development Director and Business Intelligence***

**Education:** eMBA  
**Previous commitments:** Vesa joined the Group in 2009 and has previous experience from Suomen Nestlè Oy (Country Business Manager 2007-2009) and Oy Selecta AB as sales and regional manager between 1992 and 2001 and as country manager between 2001-2006.

***Hekki Sikström, Purchasing and Logistics, R&D***

**Education:** eMBA  
**Previous commitments:** Mr. Sikström joined the Group in 1995 and has been head of purchasing and logistics since 2000, and serviced as CEO of Kotipizza between 1996-2000.

***Marko Fonsèn, COO***

**Previous commitments:** Mr. Fonsèn first joined the Group in 2004, and has worked as business manager, key account manager and area manager and between 2010-2011, Mr. Fonsèn worked for Subway as operations manager.

***Anssi Koivula, CEO Foodstock***

**Previous commitments:** Mr. Koivula has been with the Group since 2003 and before becoming CEO of Helsinki Foodstock Oy, he worked as COO and purchasing director for Helsinki Foodstock Oy. Prior to joining the Group, Mr Koivula worked as buyer at Kesko (1999-2003).

***Sirkka Monni, Managing Director Francount***

**Previous commitments:** Ms. Monni joined the Group in 2007, after working 17 years as finance manager at Vaasa Oy.

**Corporate Governance**

The Group's corporate governance is regulated by law, the articles of association, the listing agreement and the rules of NASDAQ OMX Stockholm and other applicable rules and norms.

Furthermore, the Group issued in 2013 a responsibility framework focusing on ensuring responsibility towards all stakeholders; consumers, employees and the environment.

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

Ab. R. Grönbloom International Ltd has appointed a board member, Mr Rabbe Grönbloom (deputy Mr. Janne Wartiovaara). At the same time, there are still possible earn-out payments from Frankis Group Oyj to Ab. R. Grönbloom International Ltd pending (see Material



Agreements). While the Issuer recognizes the potential conflicts, the Issuer does not believe that such appointments constitute an actual conflict of interest between such persons' duties to the Issuer.

## HISTORICAL FINANCIAL INFORMATION

### Historical Financial Information

The Group's annual reports for the financial year ended 31 January 2013 and for the financial year ended 31 January 2014 are incorporated into this Prospectus by reference (please see section "*Other Information*"). The documents incorporated by reference are to be read as part of this Prospectus. All such reports are available on the Company's website <http://www.frankisgroup.com/> and can also be obtained from the Company's head office in paper format.

The group annual financial statements for the financial year ended 31 January 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS). The group annual financial statements have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value and policy liabilities under insurance contracts that are valued in terms of the financial soundness valuation basis. They are presented in EUR.

Other than the auditing of the Group's annual reports for the financial year ended 31 January 2013 and for the financial year ended 31 January 2014, the Group's auditor have not audited or reviewed any part of this Prospectus.

The Group's consolidated audited annual report for the financial year ended 31 January 2013 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 2;
- consolidated balance sheet, page 3;
- consolidated cash flow statement, page 6; and
- consolidated statement of changes in equity, page 13.

The audit report for the financial year ended 31 January 2013 is incorporated by reference (please see section "*Other Information*") in a separate document.

The Group's consolidated audited annual report and audit report for the financial year ended 31 January 2014 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 3;
- consolidated balance sheet, page 5;
- consolidated cash flow statement, page 8; and
- consolidated statement of changes in equity, page 7.

The audit report for the financial year ended 31 January 2014 is incorporated by reference (please see section "*Other Information*") in a separate document.

**Factors affecting comparability of the Annual Historical Financial Information**

The financial information for the financial year ended 31 January 2013 was prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Group has since then changed its accounting principles and the financial information for the financial year ended 31 January 2014 was prepared in accordance with IFRS. The historical financial information for the financial year ended 31 January 2013 has been retrospectively presented and prepared in accordance with IFRS and is presented together with the financial information for the financial year ended 31 January 2014 to ensure the historical comparability between the financial periods.

**Auditors**

The Company's consolidated financial statement as at present and for the years 2012 to 2013 have been audited, as applicable, by Ernst and Young Oy, Authorized Public Accountant Firm (with registered address at Elielinaukio 5 B, FI-00100, Helsinki, Finland) with Authorized Public Account Mikko Järventausta as the responsible auditor. Mikko Järventausta is a member of the Institute of Finnish Authorised Public Accountants.

The audits of the financial statements and the reports by the Board of Directors were conducted in accordance with good auditing practice in Finland and the audit opinions issued were unqualified.

No auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information.

**Age of the Most Recent Financial Information**

The most recent financial information has been taken from the annual report for the financial year ended 31 January 2014, which was published on 19 March 2014.

## OTHER INFORMATION

### Assurance Regarding the Prospectus

Frankis Group Oyj, (corporate registration no. 2416007-6), with its registered office at PL 6969, 65101, Vaasa, is responsible for the content of the Prospectus and has taken all reasonable precautions to ensure that, as far as the Company is aware, the information in the Prospectus accords with the facts and contains no omission likely to affect its import. To the extent prescribed by law, the board of directors of the Company is also responsible for the content of the Prospectus. The board of directors has taken all reasonable care to ensure that the information in the Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

### Clearing and Settlement

As of the date of this Prospectus, Bonds have been issued in an amount of EUR 30,000,000 and the Issuer may, subject to certain conditions set out in the Conditions, issue additional Bonds in a maximum aggregate amount of EUR 15,000,000. Each Bond has a nominal amount of EUR 100,000. The ISIN for the Bonds is SE0005100112.

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's book-entry system.

### Legal Proceedings and Arbitration Proceedings

The Issuer is not, and has over the past twelve months not been, a party to any legal proceedings or arbitration proceedings that have had or would have a material effect on the Group's financial position or profitability, nor has the Issuer been informed of any claims that could lead to the Issuer or any member of the Group becoming a party to such proceedings.

### Significant Change

There has been no significant change in the financial or trading position of the Group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published and no material adverse change in the financial position or prospects of the Group since the end of the last financial period for which either audited financial information or interim financial information have been published.

### Material Agreements

Other than as described under the section entitled "*Description of Material Contracts*" herein, neither the Issuer nor the Group has entered into any material agreements not in the ordinary course of its business and which may affect the Issuer's or the Group's ability to fulfil its obligations under the Bonds.

### Documents Incorporated by Reference

This Prospectus is, in addition to this document, comprised of the following documents which are incorporated by reference and available in electronic format on the Issuer's webpage at <http://www.frankisgroup.com>:

- the Group's consolidated audited annual reports and audit reports for the financial year ended 31 January 2013 and for the financial year ended 31 January 2014; and
- the auditor's report for the financial year ended 31 January 2013 and for the financial year ended 31 January 2014.

**Documents Available for Inspection**

The following documents are available in electronic form on the Company's website <http://www.frankisgroup.com>. Copies of the documents are also available at the Company's head office at Hermannin rantatie 8, FI-00580, Helsinki, on weekdays during the Company's regular office hours throughout the period of validity of the Prospectus.

- the Company's articles of association and certificate of registration;
- the Group's consolidated audited annual report and audit report for the financial year ended 31 January 2013 and for the financial year ended 31 January 2014;
- the Prospectus; and
- approval decision by the Swedish Financial Supervisory Authority for the Prospectus.

**Listing Costs**

The estimated maximum costs of listing are SEK 400,000.

**ISSUER**

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**LEGAL COUNSEL**

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**AUDITOR**

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**CENTRAL SECURITIES DEPOSITORY**

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