Caybon.

Credit Investor Presentation

November 2021

ENGAGE & CONNECT

Important Information

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- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- understand thoroughly the final terms and conditions for the Bonds; and
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Any person subsequently offering, selling or recommending the Bonds (a "**Distributor**") should take into consideration the Manufacturer's target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the Manufacturer's target market assessment) and determining appropriate distribution channels.

For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Bonds

Important Information

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The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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Governing law and jurisdiction
This Presentation is subject to Swedish law, and any dispute arising in respect of this Presentation is subject to the exclusive jurisdiction of Swedish courts.

Issuer characteristics and process description

Issuer characteristics

Business overview

Caybon Holding AB *(publ)* "Caybon", is a leading digital media company with a global footprint, founded in 2002. The company has a strong track-record of profitable growth combined with several successful acquisitions

Ownership

Caybon is privately held by Priveq (58%) together with the founder Richard Båge (23%) and other management members

Listing status and previous experience

- The Group's shares are not publicly traded, nor does it have any other listed instruments as of today. However the company is conducting a strategic review for a potential equity listing at Nasdaq First North Premier
- The Bonds issued in connection with the contemplated transaction will be listed on Nasdaq Stockholm and Frankfurt Stock Exchange (Open Market)
- The main owner as well as other Members of the Board contribute with ample experience from various capital markets activities, including IPOs

Other issuer characteristic

- **Country of registry:** Sweden
- **Headquarter:** Stockholm, Sweden
- **Country of operations:** Sweden, Norway, Finland, Denmark, Germany, UK, Belgium, Netherlands, Spain, Poland, Czech, Latvia, Austria, Canada & USA

Confirmation/verification processes

Confirmatory work conducted in connection with the transaction

- The Issuer has signed a "Declaration of Completeness", a "Statement of Responsibility" and concluded a "Bring down due diligence call", confirming to the Sole Bookrunner that the marketing material in all material aspects is correct and complete, and that all matters relevant for evaluating the Issuer and the transaction are properly disclosed in the material
- The Sole Bookrunner has conducted interviews with the management and the owners of the Issuer during the preparation phase to gain a better understanding of the relevant risks related to the business model, the market as well as the financials

Advisor overview

Overview of advisors to the bookrunner and issuer

- ABG Sundal Collier ASA is acting Sole Bookrunner to Caybon Holding AB
- The law firm Roschier Advokatbyrå AB ("Roschier") has acted as legal counsel to the Sole Bookrunner and has assisted in the drafting of various transaction documents, including the term sheet
- Ernst & Young AB is the auditor of the Issuer

SCOPE OF PRESENTATION

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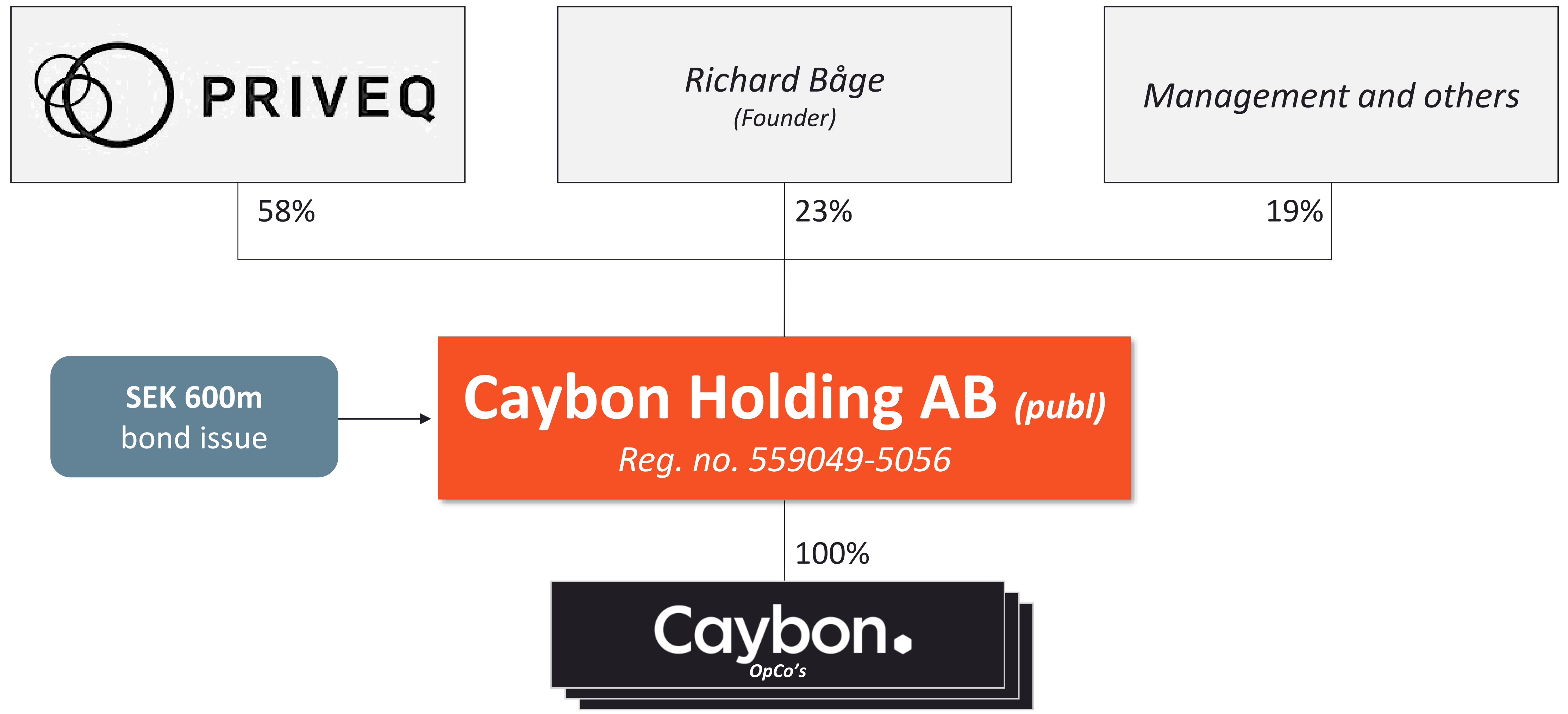
Transaction overview

Introduction

- Caybon Holding AB *(publ)* “Caybon”, is a leading digital media company with a global footprint, founded in 2002. The company has a strong track-record of profitable growth combined with several successful acquisitions
- The company is owned by Priveq (58%) together with the founder Richard Båge (23%) and other management members – Priveq entered as majority owner in 2016
- The owners are currently performing a strategic review for a potential equity listing at Nasdaq First North Premier
- Caybon is contemplating an IPO ready senior secured bond issue of SEK 600m to refinance all existing debt and partly finance a potential add-on acquisition
- Caybon has signed a Letter-of-Intent to acquire a programmatic internet advertising specialist located in Stockholm. The target has revenues of SEK ~100m and adds SEK 10m in EBITDA (excluding cost synergies). Agreed enterprise value (on a cash and debt free basis) is SEK 54m plus non-interest bearing subordinated earn-out provisions maturing after the bonds
- The Swedbank term loan facility incurred when Priveq acquired the company has been amortised and repaid in full with cash flows from operations. The existing debt is comprised of shareholder loans (SEK 333m) and vendor notes (SEK 184m) from previous acquisitions
- An intercreditor agreement may be entered into with a super senior RCF provider

Structure overview



mediaplanet appelberg N365 Newsner SPLAY ONE

Sources	(SEKm)	Uses[1]	(SEKm)
Bond issue	600	Existing debt	517
Cash Q3	95	Acquisition (closing Q1 2021)	54
		Transaction costs	10
		Expected cash	114
Total sources	**695**	**Total uses**	**695**

Key metrics *(SEKm)*	Excl. acquisition	Incl. acquisition
EBITDA LTM Q3 2021[2]	128	138
Gross debt	627	627
Expected cash post closing	168	114
Net debt	**459**	**511**
NIBD/EBITDA *(pre-IFRS)*[2]	**3.6x** *(4.0x)*	**3.7x** *(4.1x)*

1) Existing debt including accrued and capitalised interest
2) IFRS16 effect on EBITDA of SEK 18.4m for the last twelve months, please see Quality of Earnings and cash flow statement for more information

Term Sheet

Issuer	Caybon Holding AB *(publ)* (*incorporated in Sweden)*
Status	Senior secured
Security	First priority pledge over the shares in the Guarantors and first priority pledge over material intercompany loans. The security may be shared with the super senior revolving credit facility ("RCF") and hedge counterparty
Guarantors	All other material Group Companies (being companies in any jurisdiction comprising more than 10% of group consolidated EBITDA and where the material group companies shall together at least comprise 85% of group consolidated EBITDA
Initial issue amount	SEK 600 million
Borrowing limit	SEK 1,000 million
Use of proceeds	• ***Initial Issue:*** (i) Refinance existing debt incl. shareholder loans and accrued interest, (ii) transaction costs, (iii) acquisitions and investments and (iv) general corporate purposes • ***Subsequent tap issues:*** General corporate purposes, including acquisitions and investments
Tenor	3.25 years
Coupon	3m Stibor +[●]bps p.a., quarterly interest payments (Stibor floor at zero)
Amortisation	No fixed amortisation, 100% repayment at final maturity
Issuer's call options (American)	Make whole first 1.5 years, callable thereafter (in whole or parts) at par plus 50.0% / 30.0% / 10.0% of the Coupon after 18 / 24 / 33 months respectively
Equity clawback	Maximum 35% of the bond issue can be redeemed in connection with an IPO at a price of 102% of par value
Incurrence test	*For general corporate purposes:* • NIBD/EBITDA ≤ 4.00x the first 2 years, thereafter 3.50x *For distributions:* • NIBD/EBITDA ≤ 2.75x Incurrence test to be calculated pro-forma including acquired businesses, and cost synergies capped at 10% of pro forma EBITDA of the group
Permitted debt	*Negative pledge and no additional debt clause, with carve-out for:* • super senior working capital facility, the higher of SEK 75 million or 1.00x consolidated EBITDA at the time of commitment, annual clean-down provision • Subordinated non-interest bearing earn-out provisions • general basket of SEK 25 million *Subject to compliance with incurrence test:* • tap issues of the senior secured bond • repayment of earn-out provisions
General undertakings	General undertakings to include restrictions on additional debt, granting of security (negative pledge), financial support and shareholder distributions as well as certain other general undertakings customary in the Nordic high yield bond market
Dividend restrictions	Following a Equity Listing event and subject to the distribution incurrence test; not to exceed 50% of previous year net profit
Change of control	Bondholder's put option at 101% of par value upon a change of control event. Exemption for a "Permitted Transferee", meaning an entity approved by a majority (50%) of the bondholders
Listing	Frankfurt Open Market within 60 days and listing on Nasdaq Stockholm within 12 months from the First Issue Date
Governing law	Swedish law
Trustee	Nordic Trustee

Experienced majority owners

PRIVEQ

Priveq in brief

- Priveq is a Swedish private equity company that invests in unlisted growth companies in Scandinavia. The company was founded in 1983 and has since 1998 successfully raised 5 investment funds
- Priveq has an industry agnostic investment approach and has invested in over 130 companies since its inception. Strong track record of significant value creation evidenced by 22% IRR generated by its portfolio companies since 1983
- Priveq has successfully raised 5 investment funds in total and is backed by strong global investors, mainly pension funds, insurance companies and endowment
- Currently Priveq is investing out of Priveq Investment VI, a SEK 2.5bn fund. Caybon was acquired by Priveq Investment V in 2016

Total investments
132

IRR since 1983
22%

Company IPOs
28

Priveq's dedicated Caybon team

Mats Hjerpe
Partner

Johanna Svensson
Partner

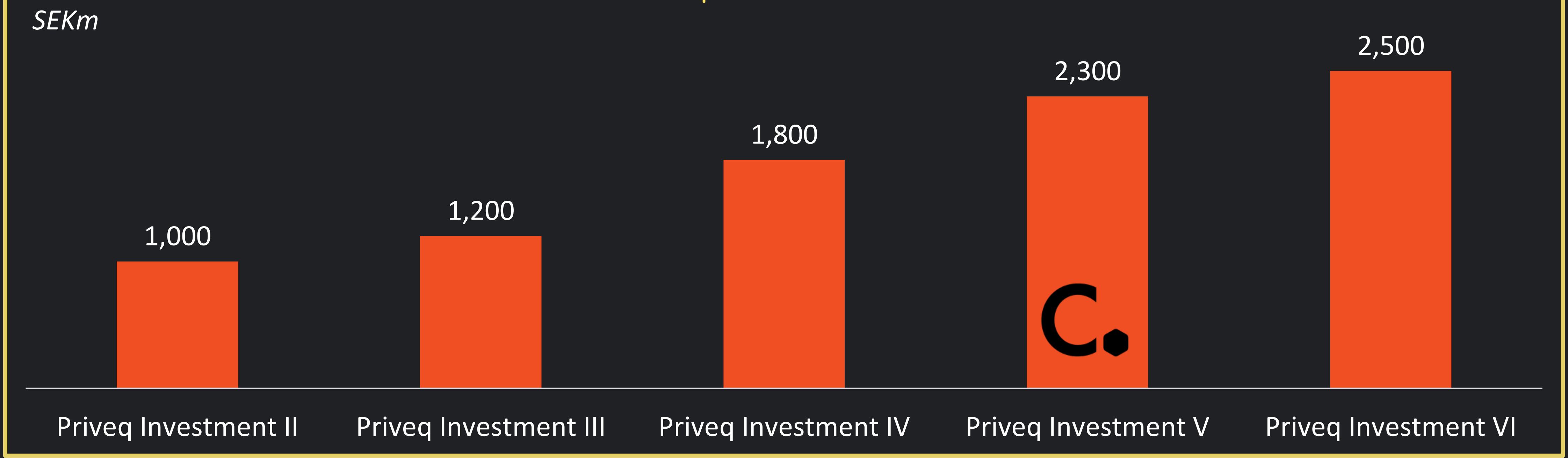
Daniel Nylund
Associate

"Caybon is a highly attractive company that has proven its ability to adapt and lead an industry transition towards new digital media trends creating significant values for its customers. Priveq sees great opportunity in Caybon and believe in significant value creation from the ongoing digitalisation trend and strategic gains from add-on acquisitions"

Selected investments

4C STRATEGIES, portsgroup, QleanAir SCANDINAVIA, LAMIFLEX, Swemac Passion for innovation, TRENDHIM ACCESSORIES, omega point., CSAM, Meteo Nova, sobi rare strength, mentice, LJUNG SJÖBERG PROACTIVE DRUG MANAGEMENT

Priveq raised funds



Credit Highlights

1 *Digital media market leader with a global reach*

- Caybon is a digital media group focusing on data-driven branded content delivered through 5 brands
- A strong track-record of revenue growth and profitability every quarter since the company was founded in 2002
- Dedicated and experienced team of 460 employees operating from 14 offices in the Nordics, Europe, Canada and the United States

2 *Attractive market fundamentals*

- Global ad-spend of USD 750bn expected to grow by 9% p.a. going forward
- Growth driven by increased use of digital media – digital advertising spend CAGR of ~19% over the past 10 years
- Social media expected to be the key marketing distribution channel – global user development growing by >12% p.a.

3 *Diversified and highly scalable business model*

- Diversified revenue base from more than 6,000 customers – from large global blue chips to local SMEs – 10 largest represent ~8% of revenues
- Significant product and geographical diversity – e.g. largest brand <40% revenues and non-Nordics revenues >40%
- Products with unlimited scalability – digital media accounts for >70% of revenues

4 *Resilient and attractive financial profile*

- Revenue growth driven by increased digital marketing since 2010 – organic revenue growth of 10% last 3 years with additional inorganic growth from M&A
- Flexible cost base ensuring financial resilience – evidenced by no single quarter of negative profitability since the group was founded
- Impressive cash build through >96% cash conversion (avg. 2018-2021ytd)

5 *Strong entry barriers*

- 20 years of data and industry know-how actively used in data driven content creation and distribution
- Unique customer relationships where >70% of revenues are from returning customers
- Unparalleled distribution network with +70m followers/subscribers
- Offering direct access to the relevant target group – i.e. specific demographics such as geography, age, education etc.

6 *Strong management supported by committed founder and owner*

- Highly committed founder and owner as group CEO
- Entrepreneurial corporate culture focused on profitable growth
- Supported by majority owner Priveq, a highly experienced Swedish private equity sponsor with a proven ability to deliver returns – 22% IRR since 1983

Caybon.

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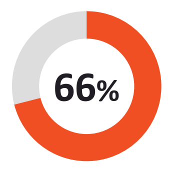
Caybon in brief

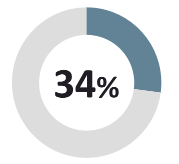
Introduction to Caybon

- Caybon is a leading founder-led digital media company incorporated in 2002. The company has a strong track-record of profitable growth combined with several successful acquisitions
- Global footprint with offices in 14 countries and a total of ~460 employees
- Today Caybon consists of five market leading brands providing various digital media focused services with strong in-house content creation competence and distribution capabilities
- Highly diverse client base consisting of more than 6,000+ clients including various blue-chip companies from all over the world

Brands overview

mediaplanet	TOPIC-BASED CAMPAIGNS	Campaign-Based
N365	CONVERSION CAMPAIGNS	
appelberg	B2B COMMUNICATIONS	
SPLAY ONE	BRANDED ENTERTAINMENT	Platform/Network
Newsner	DISTRIBUTION NETWORK	





Highlights

Background

Founded	Employees	Offices
2002	~460	14

Positioning

Clients	Video views	Followers & subscribers
6,000+	4.2bn	>70m

Financials

Revenues	EBITDA	Revenue CAGR[1]
~1bn	~128m	13%

Global presence

Caybon has a global footprint with the needed local knowledge to provide its clients with best in class media solutions

1) 2016 to Sep-21 LTM

Organisation overview

Group management

Richard Båge
FOUNDER & CEO

Selected experience:
- CEO of Mediaplanet Group
- Co-founder and CEO of Insplanet

Johan Janing
CFO

Selected experience:
- Head of Finance at Mediaplanet International
- Mediaplanet Publishing CFO

Henrik Lengstedt
CIO & CDO

Selected experience:
- Mediaplanet Group CIO/CDO
- Head of Business Development N365 Group

Business area managers

Sebastian Keta
COO Mediaplanet

Selected experience:
- Managing Director at Mediaplanet
- Management Consultant at Ekan

Björn Forsgren
Interim CEO, N365

Selected experience:
- Co-founder, Partner and Head of UK at N365
- Sports writer/editor at Aftonbladet

Richard Båge
Interim CEO, SPLAY ONE

Selected experience:
- CEO of Mediaplanet Group
- Co-founder and CEO of Insplanet

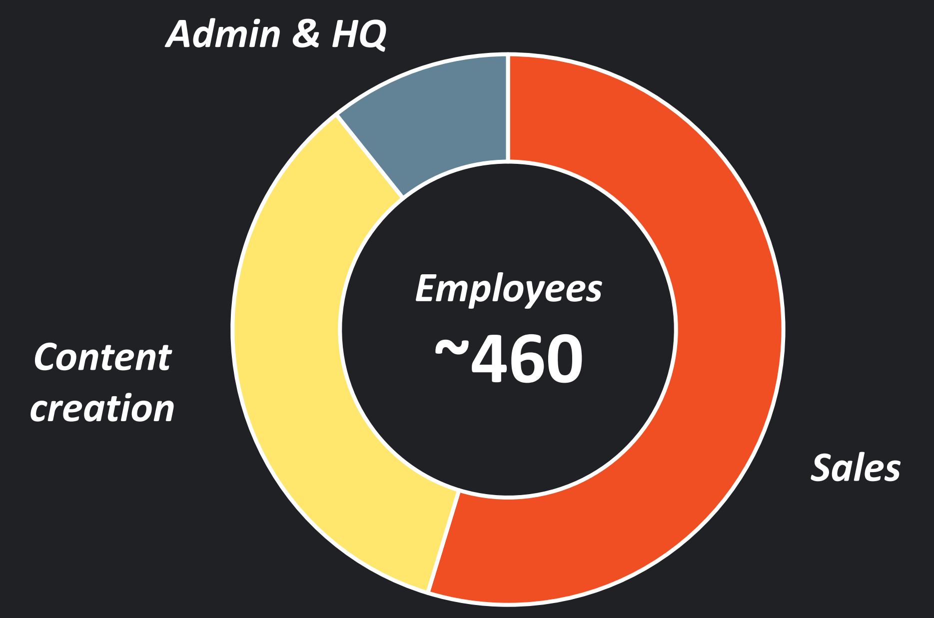
Christian Ström
Publisher, Newsner

Selected experience:
- Country Manager Denmark and Editor at N365
- Reporter at Aftonbladet

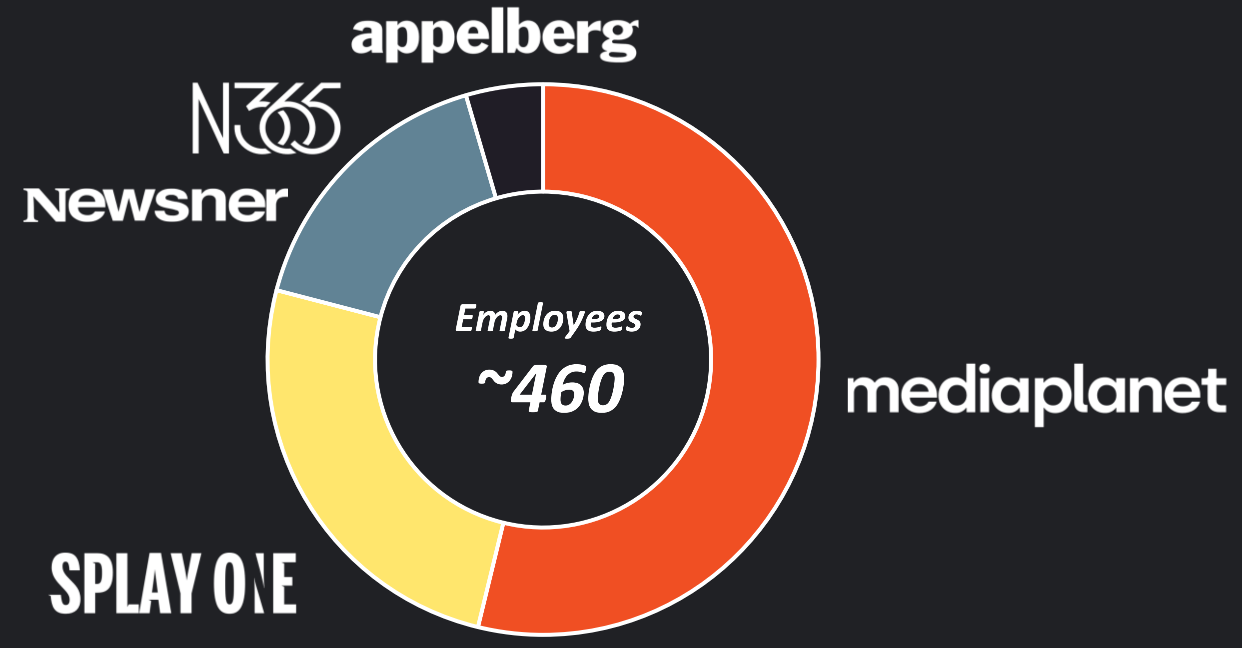
Elin Sahlström
CEO, Appelberg

Selected experience:
- CEO, COO and Head of Production at Pointbreak
- Editor at Mastiff AB

Caybon group overview



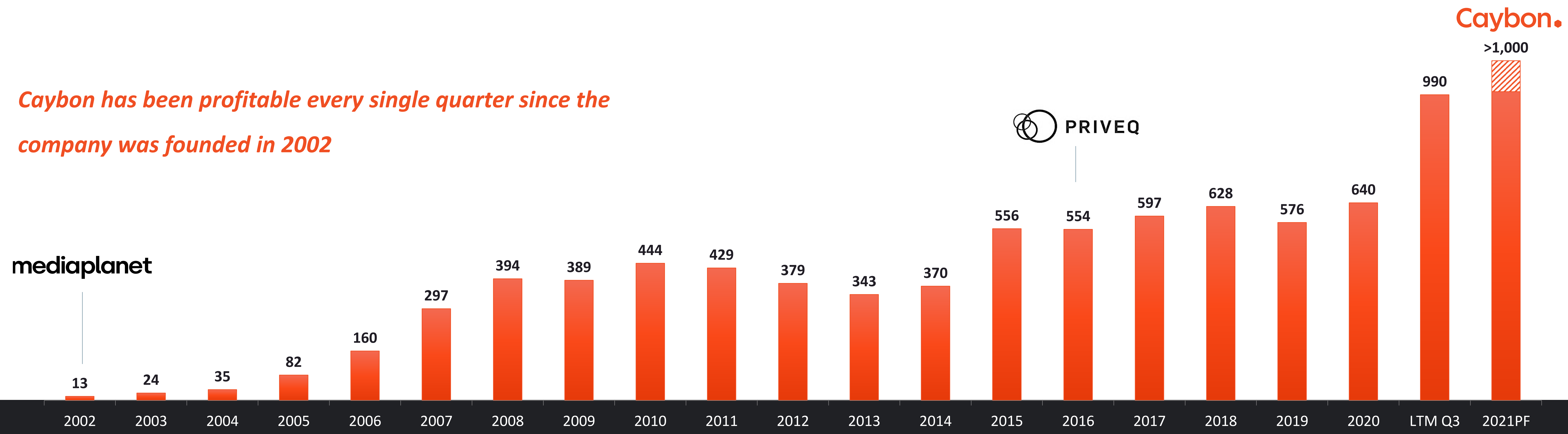
- Caybon employs ~460 FTEs primarily focused on sales and content creation
- As an organisation Caybon operates under a decentralised structure with a Group management that consists of CEO, CFO and CIO/CDO as well as business area heads. Each business area is led by their own management team
- Sales oriented corporate culture is at the core of Caybon and is an important contributor to its success and ability to create best in class media content
- The entrepreneurial culture at Caybon has a strong focus on profitable growth which is also incorporated into the renumeration policy of the firm where everyone from project managers to content creators and sales personnel are incentivised through a partly variable compensation



Company background

Revenues, SEKm[1]

Caybon has been profitable every single quarter since the company was founded in 2002



Key events

Rapid organic growth with international expansion

Refocus - transition to digital marketing

New owners and M&A strategy with several successful acquisitions

Rebranded: Caybon.

Market expansion

Sweden · *NO & UK* · *FI & DK* · *GE, CH & NL* · *USA* · *AU, SK & PL* · *CA*

2022 plan: *FR, ES & BE*

M & A

appelberg

N365 Newsner

SPLAY ONE *LOI signed for add-on*

1) 2002-2017 displays all entities, started and closed over the years. 2018 and 2019 adjusted for closed business units and 2021 includes the acquisition of SplayOne (closed April 2021) proforma for the full year

The Caybon brands

Caybon.

Campaign-Based

mediaplanet
TOPIC-BASED CAMPAIGNS

38%

Produce topic-based marketing campaigns intended to highlight current affairs and drive awareness about companies relevant to those topics

N365
CONVERSION CAMPAIGNS

27%

Conversion driven content marketing agency focusing on primarily digital ad campaigns and post launch ad optimisation to drive best-in-class ROI

appelberg
B2B COMMUNICATIONS

2%

Content marketing agency specialising in B2B communication intended to build relevant and top-of-mind brands through coherent storytelling via the client's own social and digital channels

Platform/Network

SPLAY ONE®
ENTERTAINTMENT

28%

Leading Nordic branded entertainment and influencer marketing powerhouse delivering genuine feeling marketing through storytelling via all major video platforms e.g. YouTube

Newsner
DISTRIBUTION NETOWRK

5%

Modern social media news site that is one of the biggest publishers on Facebook worldwide, with over 30m followers in 14 different languages

5 brands to target a full spectrum of media services

% of LTM revenues

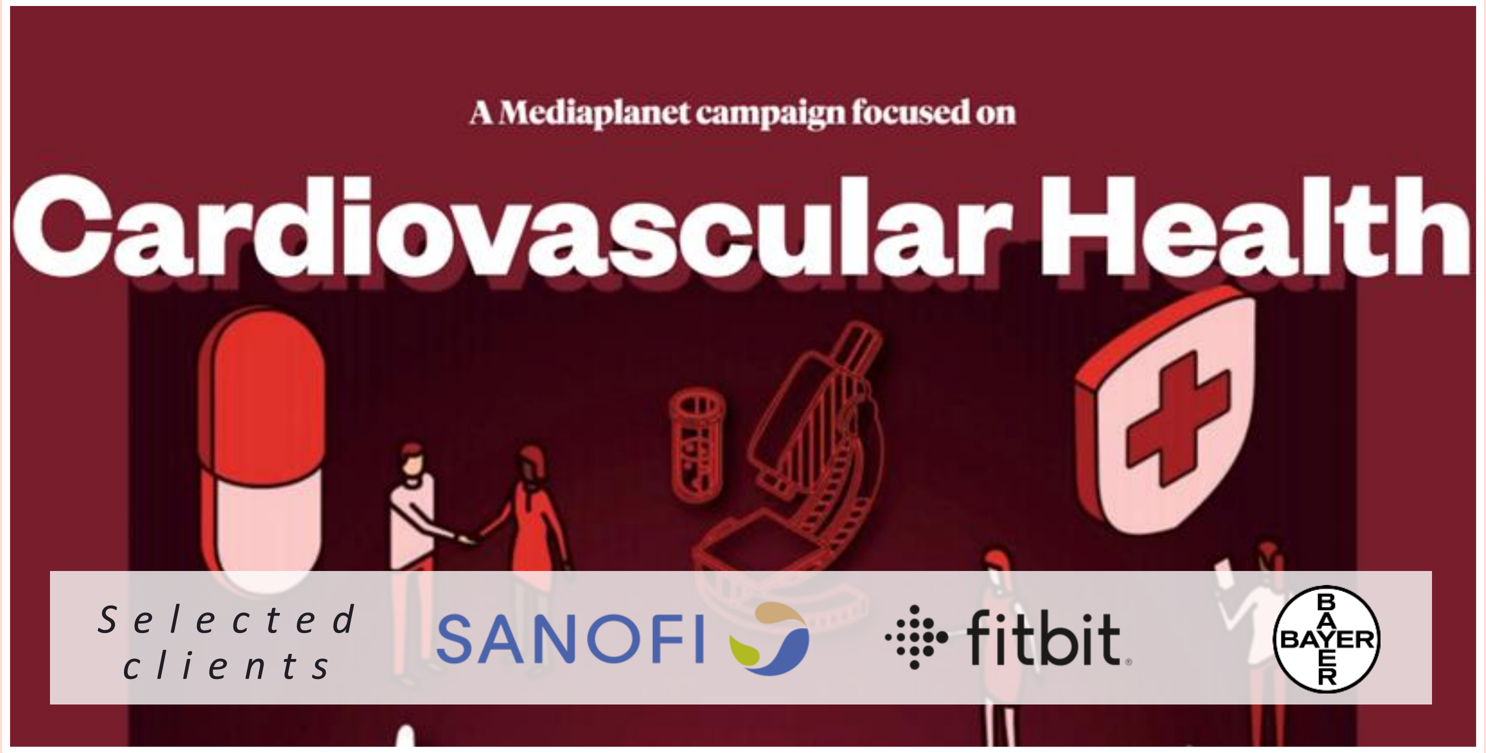
The brands explained

	mediaplanet	N365	appelberg	SPLAY ONE	Newsner
Client	*Business to Business & Consumer*; Customers: Pfizer, Abbott	*Business to Consumer*; Customers: vethem, CARGLASS	*Business to Business*; Customers: Alfa Laval, Atlas Copco	*Business to Consumer*; Customers: Arla, Marabou	*Business to Consumer*
Distribution channel	*Print*, *Media*, *Social*	*Media*, *Social* (Tik Tok)	*Print*, *Media*, *Social*	YouTube; *Social*	*Media (Newsner.com)*, *Social*
Revenue type	Thematic campaigns where multiple clients buy into the each campaign	Single client campaigns	Campaign- and retainer-based	Number of views and through campaigns	Number of views
Barriers to entry	Distribution agreements, content library & international reach	Proprietary data competence, FB-collaboration and best-in-class conversion capacity	Highly experienced organisation with strong human capital and know-how	Nordic leader with 500 influencers, 40m followers and MCN[1] licence	+30m followers on FB and content in 14 languages
Share of revenue from returning customers[2]	46%	92%	81%	80%	*N.M.*

1) MCN = Multi channel network license
2) Returning customer is defined as an active customer in 2021YTD that also has been active in 2020 and/or 2019

Customer case studies

mediaplanet



Objective

A topic based campaign on cardiovascular health to promote early check ups for those at high risk

How

Campaign launched on world heart day and was distributed via Mediaplanet's own site HealthAwareness.co.uk, event, social media, prints, newsletters and The Guardian

Who

Paying customers included, Sanofi, Bayer and Fitbit, with collaborators including World Heart Foundation and British Heart Foundation providing credibility and a relevant context

Tangible results

- Campaign reached ~2m readers
- Exceeded targeted reads and reader engagement

N365

I Social media-ad

II Article web page

III Company web page

Zmarta

Objective

To generate new customers for Zmarta, a consumer lending intermediary

How

Caybon created a native campaign containing relevant and effective content with the aim to drive customers to Zmarta. Visitors who interact with the ads are directed to an article building interest and engagement. Through advertisements and links, visitors are then directed to the loan application page on Zmarta's website

Tangible results

- 14,000 accepted loan applications[1)]
- Total value of lending SEK 280m[1)]

SPLAY ONE

Objective

Create a new platform to communicate with a new generation of 'foodies' for Arla. Ambition to offer inspiring and entertaining content so the target group choose to spend time with Arla on own account

How

The solution was YouTube and Matkanalen by Arla was born, a unique platform in the Swedish market, with only a handful of successful YouTube channels focused on cooking. The channel had 10,000 subscribers within 4 weeks

Tangible results

- 32.7K subscribers and 16.4 million views
- 5:26 minutes average watch time
- 90% of views from target audience

1) since 2017

THE CLIENTS

Highly diversified portfolio of clients

Attracting customers through strong value proposition

- Caybon has a highly diverse client base of more than 6,000 clients consisting of various blue-chip companies from all over the world as well as small-scale local businesses
- Locally anchored expertise combined with over 20 years of data and marketing insights allows for a superior value proposition that drive a high customer satisfaction, resulting in ~70% returning customers
- Caybon's offering can be rolled out to new industries and markets with limited investments due to its highly scalable model. The broad product offering offers an opportunity for Caybon to scale existing clients by offering more services and increase its share of the clients' marketing budget
- The global footprint combined with a diverse service offering and a highly diversified client portfolio of returning customers is a great comfort to the operations and is testimony to a low risk business model

Blue chip customers based in various industries

FIG: Handelsbanken, afa FÖRSÄKRING, PNC BANK

TMT: Google, Acast, Microsoft, DR, ORACLE, salesforce

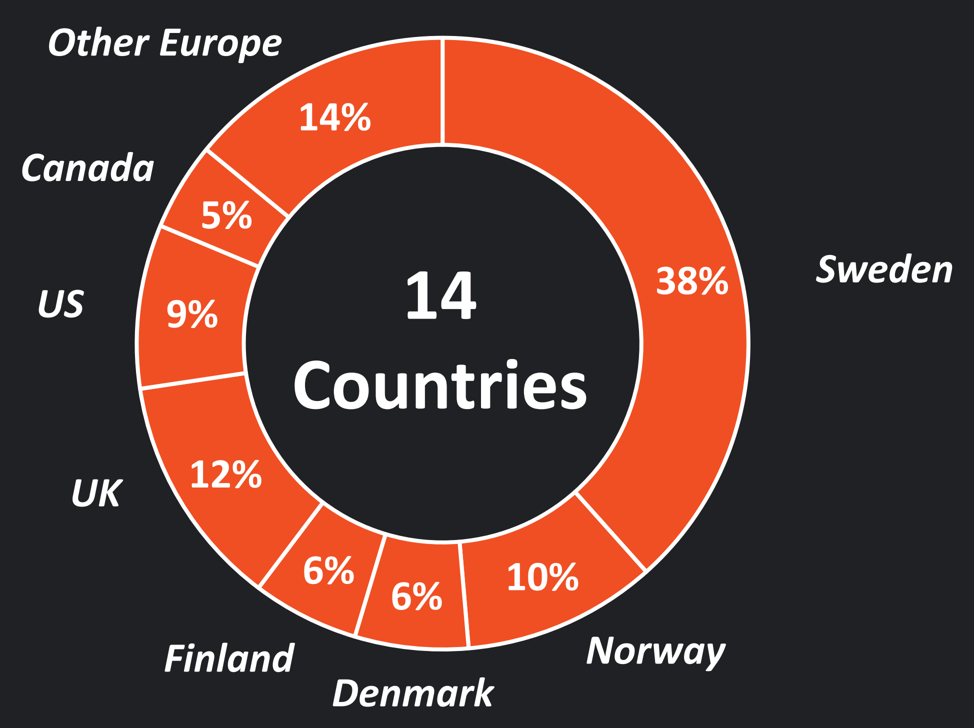
Healthcare: Abbott, Pfizer, Takeda, SANOFI, Boston Scientific, moderna

Retail & Consumer: Orkla, REMA 1000, Arla, H&M, BURGER KING, weber, INTERSPORT

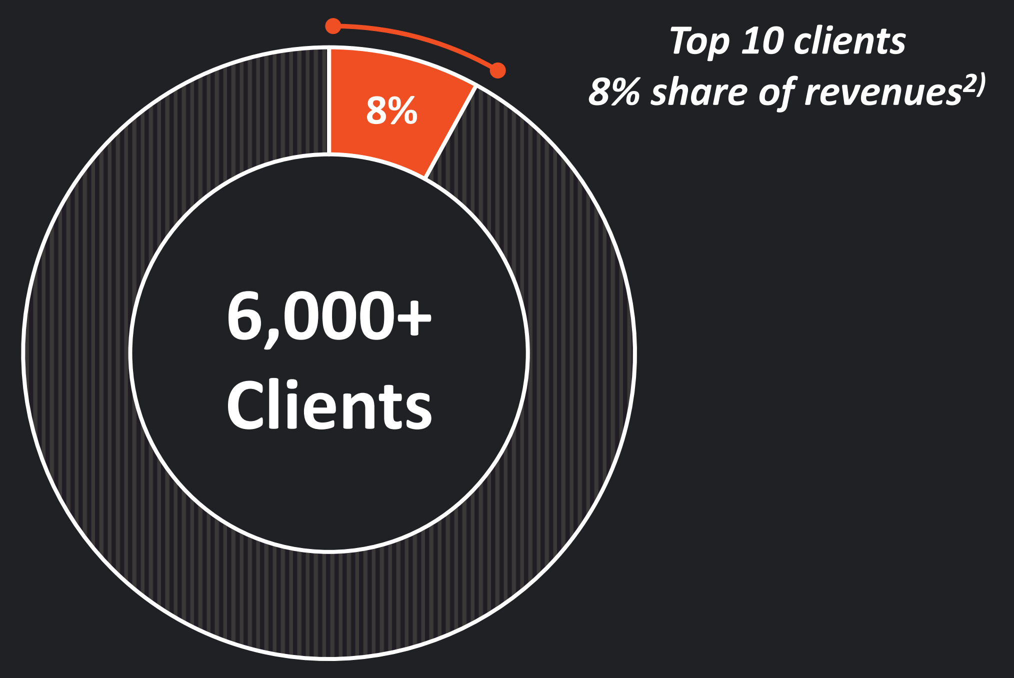
Business Services: 3M, Tamro, BYGGER'N, CARGLASS

Industrials: Alfa Laval, Atlas Copco, CAT

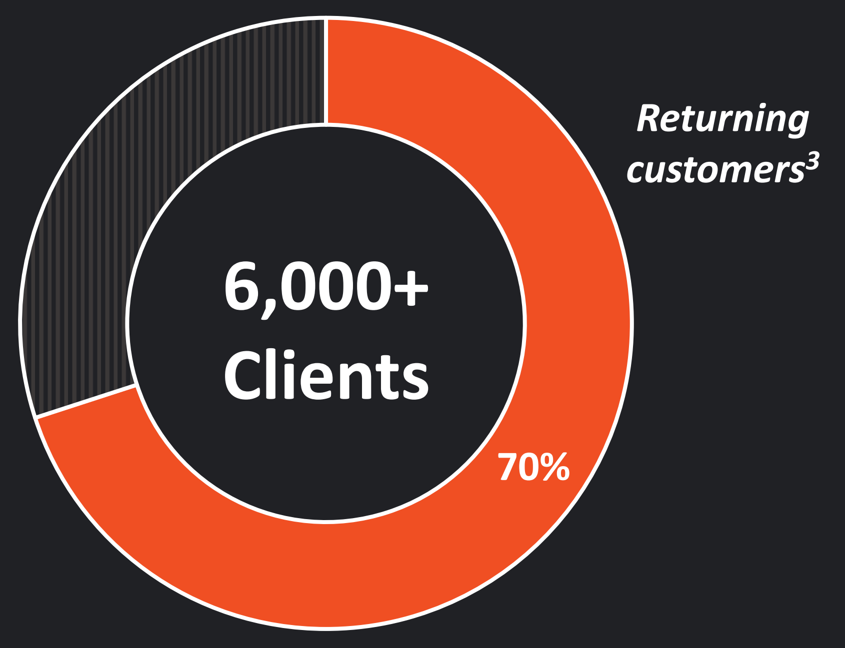
A global customer base[1]…



…With diversified clients…



…that are returning to Caybon



1) 2021 YTD
2) Excluding any pass-through revenues
3) Returning customer is defined as an active customer in 2021YTD that also has been active in 2020 and/or 2019

Caybon is a digital organisation

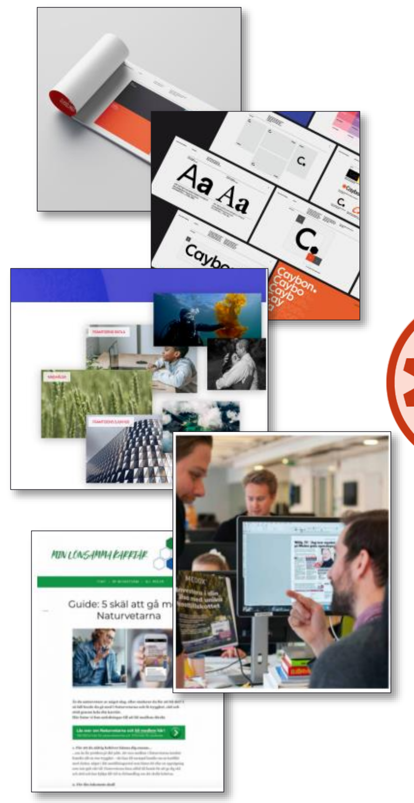
Data driven approach based on end-user feedback loop drive high conversion and customer satisfaction

Proprietary dataset	IMPROVED SELECTION	Optimise content creation and distribution based on data	IMPROVED MARKETING	Reach targeted audience of customers	BEST-IN-CLASS CONVERSION

DATA

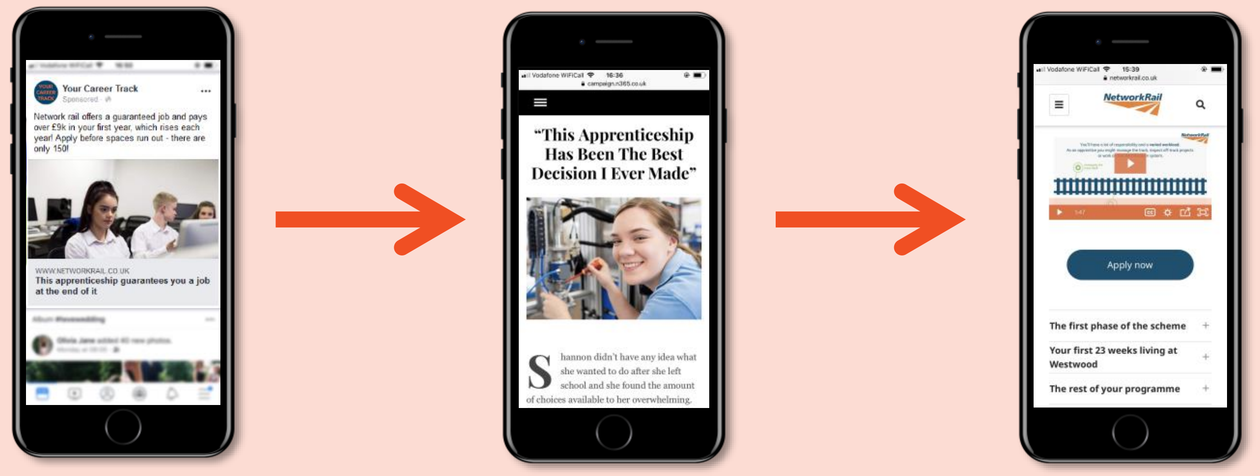
1. What has previously worked based on tangible and intangible KPIs…
2. …in what sector…
3. …and to what end users

Content creation



Distribution

Reach → Traffic → Conversion



Example of KPIs (non-exhaustive)

Reach	Traffic	Conversion
# of Relevant clicks	# of Relevant click through	# of Sign-ups
# of Views	% of Relevant audience reached	ROI On marketing spend
# of Interactions	# of Minutes spent watching / reading the content	

DATA | CONTENT CREATION & DISTRIBUTION | CONVERSION | RETENTION

FEEDBACK LOOP

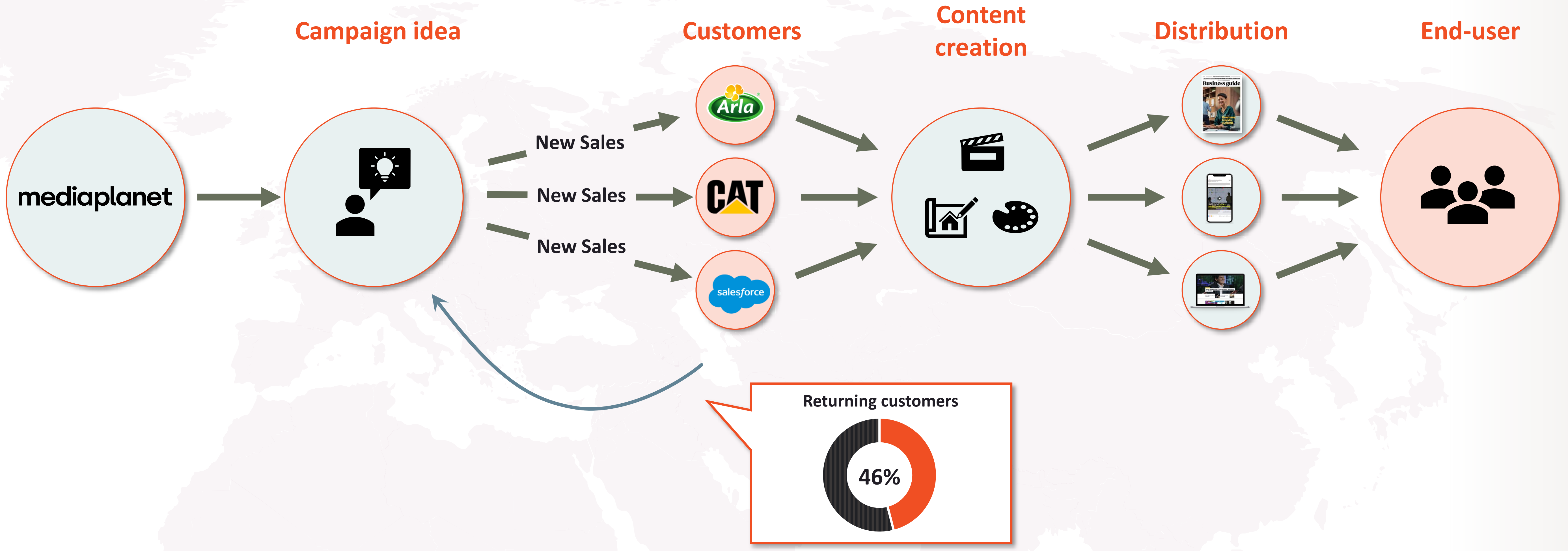
LARGER SCALE → MORE DATA → BETTER CAMPAIGNS & REACH → LARGER SCALE

SALES

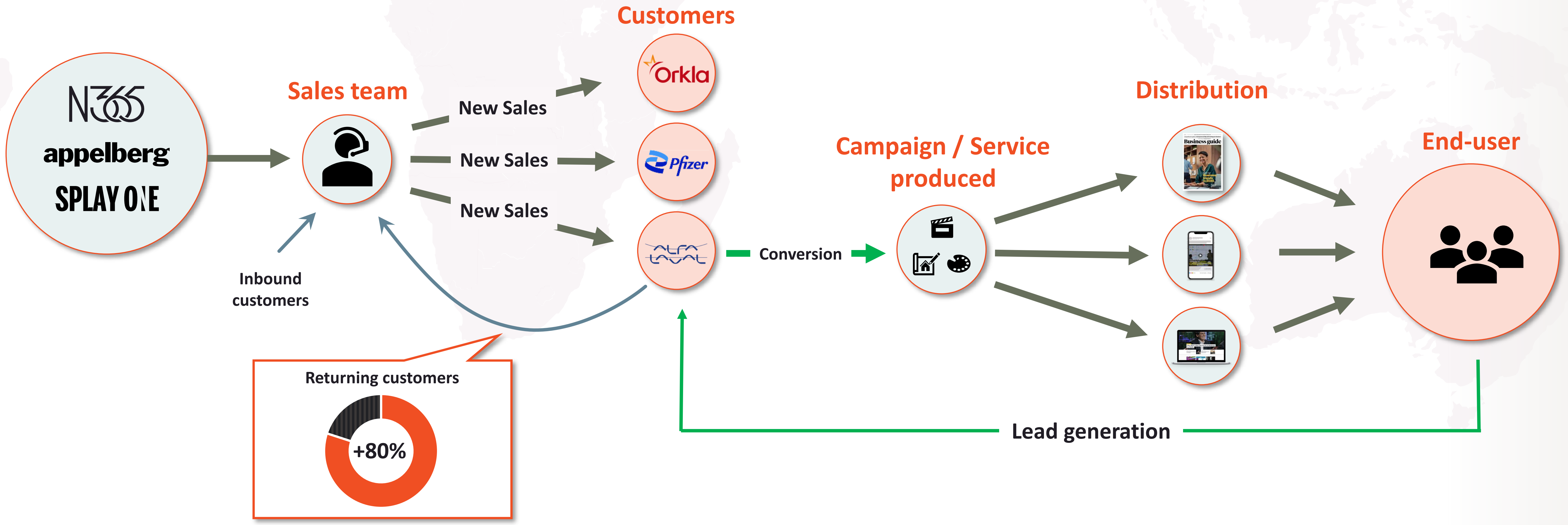
Sales organisation

S a l e s c u l t u r e – c o r e i n t h e o r g a n i s a t i o n

- Caybon has a well built sales organisation consisting of local teams in each country offering local expertise to its clients
- The sales team works closely with the content creation team which offers the required insights to deliver a superior end-product, attracting new and existing clients alike to new campaigns
- The sales' organisations fixed/variable pay set-up also allows for a flexible cost base while attracting highly result-driven people that can deliver tangible results



Caybon's sales model significantly reduce business risk by having ensured project revenues before any significant project costs are incurred



CONTENT CREATION

Premium in-house content creation capabilities

Best-in-class content creation

- **Majority of all content creation is created and managed in-house** in collaboration with the content creation team and educated journalists, ensuring a **neatly packaged product with high quality content**
- **A broad and diverse service offering** combined with **creative and driven people** under one roof allows for experience and knowledge sharing which helps **continuously improve the end product and with it the company's best practice**
- Caybon doesn't utilise any off the shelf solutions, instead the organisation **works closely with its clients** to produce products **designed for their specific needs which is a key factor for success**

Award winning capabilities

News 9 October

Mediaplanet Group recognised for world-class content – three times over

Mediaplanet 7 May

Mediaplanet Wins Four Prestigious Awards of Excellence for Its Content Marketing Work

Newsner 11 February

N365 gets top ratings from their clients – wins agency of the year 2020

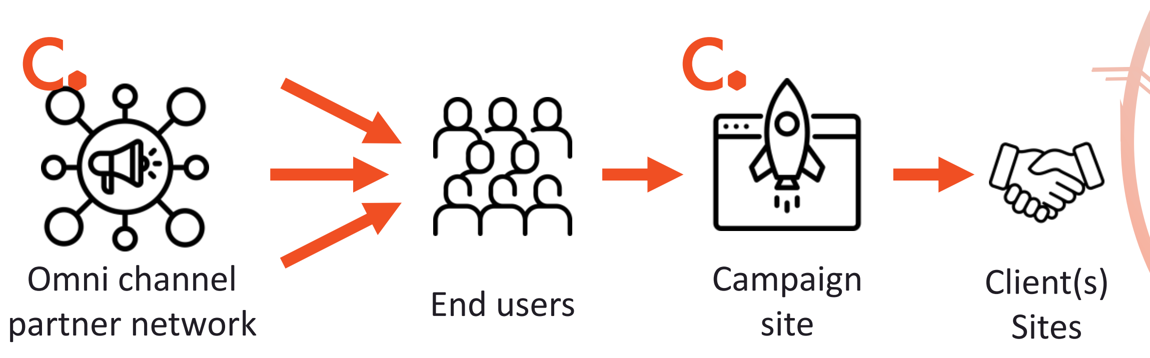
Won awards

18	11	13
Communicator Awards	International Daveys Awards	Other super prestigious awards

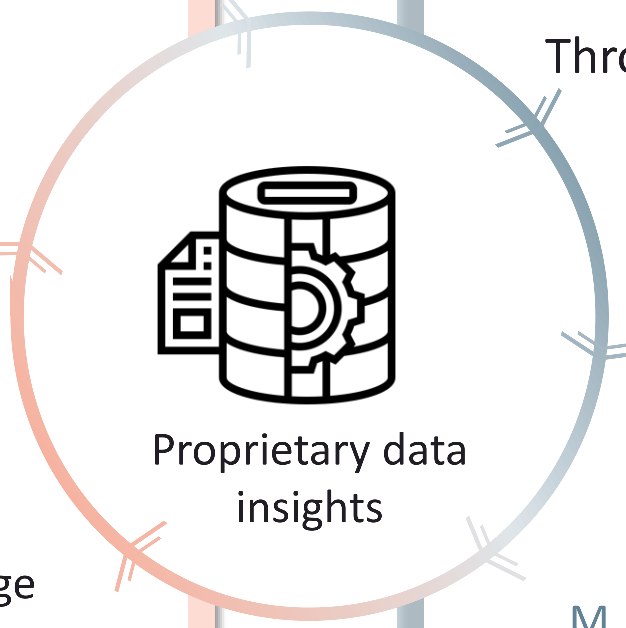
Caybon has a significant reach through proprietary distribution

Campaign-Based

The campaign based offering utilises an omni-channel distribution model where campaign reach is optimised based on the client(s) objective(s)



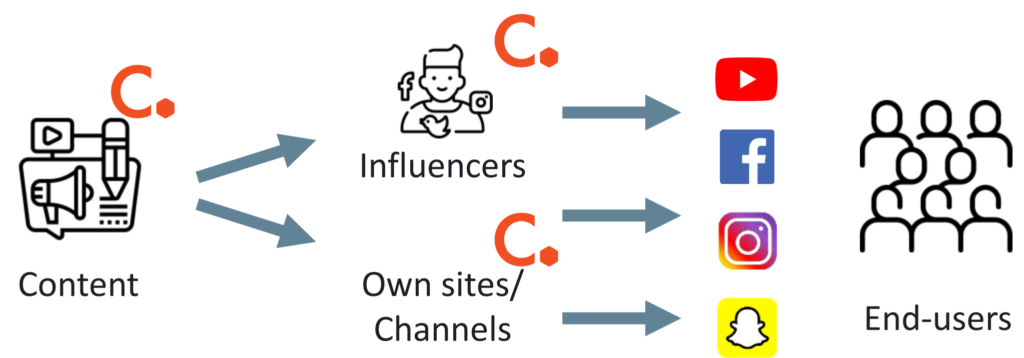
Caybon has long-standing agreements with the large publishing houses in all its markets in order to be able to distribute print. In addition Caybon is a "Facebook marketing partner" which is achieved thanks to having a high spend and being a "super-user" of the platform. This in turn provides better data, service and support



Platform/Network

Caybon offers unparalleled reach through its Platform/Network in the Nordics. Social media is the primary contact platform to reach end-users

Through high quality content and influencers, new subscribers and followers are added



MCN[1] agreement with Youtube

Caybon was the first Nordic company to obtain an MCN agreement with Youtube, giving unique insights into view data and offer the ability to manage ad-space actively etc.

Caybon is working with the most trusted distribution partners to create a highly relevant and tailored distribution solution to reach the client's audiences both on- and offline

Distribution power in numbers:

42 million	30 million	4.2 billion	320 million	420,000	280 million
YouTube subscribers	Facebook followers	video views	article reads	conversions	Viewing hours of video

1) MCN = Multi channel network license

A proven acquisition and integration strategy

Acquisition strategy

- Caybon is looking for add-on targets that can strengthen and broaden the current offering. These are companies working with brand-driven content that drives tangible results as well as companies that have a similar offering as Caybon, but in distant markets where Caybon is yet to be established
- There are 5 main products or platform categories within media that are of interest: distribution, platforms, programmatic, Search-engine-optimisation (SEO) and technical solutions
- Since 2014 Caybon has successfully acquired 4 companies and integrated them under the Caybon umbrella and successfully taken advantage of meaningful synergies – currently one LOI is signed
- Caybon is striving to be a good home and platform for entrepreneurial digital media companies that are acquired. The integration strategy is designed to preserve entrepreneurial culture and to incorporate a profit oriented focus whilst at the same time realising cost synergies

Integration strategy

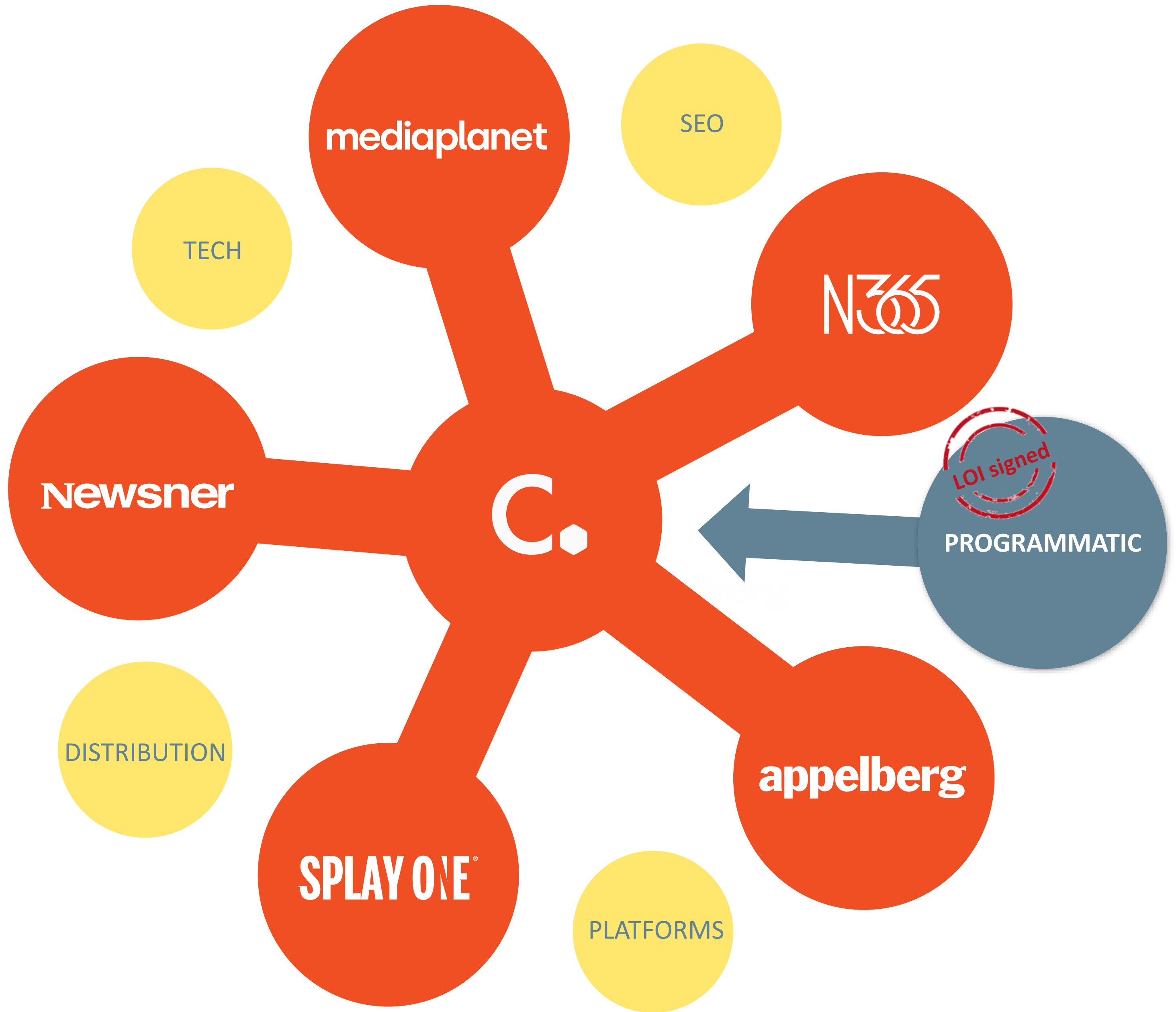
01 Caybon has a decentralised operating model where it acts as a knowledge hub. Especially for competence in efficient operating models and international operations

02 Several corporate cost synergies are introduced with co-location of office space and introduction of some common support functions

03 The company will seek to facilitate cross-selling on an opportunistic basis. Product competence is shared internally

04 Caybon wants to preserve the acquired company's DNA whilst adding its own sales and profitability oriented culture to focus the efforts of the group to deliver profitable growth

Letter of intent for additional acquisition signed



Caybon has signed an LOI to acquire a Swedish company offering platform independent Demand Supply Platform ("DSP") for companies or ad buyers to purchase and manage their programmatic digital advertising. The platform is used for purchasing advertising as well as collecting and analysing resulting data of the advertising efficiency in order to further optimize campaigns. Currently Caybon uses several other third party platforms, some of which are owned by distributors like FB and Google. This acquisition could in other words offer significant synergies for Caybon by placing some of the programmatic purchases in-house.

The target offers approx. SEK 100m in revenues and SEK 10m in EBITDA

Caybon takes ESG one step further by including external aspects

	Environment	Social	Governance
Internal	• All employees have a basic general **environmental education** • We encourage our employees to **use bicycle or public transport** • Whenever possible **environmentally sustainable products** are chosen	• Everyone is treated **equally** • We do **not tolerate discrimination** of any kind • Honour the **UN Declaration of Human Rights**	• We **have fundamental codes and policies** established to set the rules and principles of stakeholders within the company
External	• We strive to partner with customers and suppliers who **actively work with sustainability goals** • Whenever possible, subcontractors who have **environmental policies** are chosen	• **Show respect** in all business relationships • Maintaining a **high level of integrity** • Develop **long-term relationships** with our external shareholders	• **Not to act in violation** of any applicable competition laws in any country • If there are reasons to believe a violation has taken place by any partner or new client **this should be reported**

Most companies do not consider their external ESG-risks

Excerpt from our ESG policy

- *"Caybon's environmental and sustainability policy sets out the guidelines for how our daily activities should relate to all aspects of sustainability. Caybon works with action plans and measurable goals, and conducts an annual progress review"*
- *"In the areas where Caybon has influence, the group will aim to make sure that suppliers and sub-suppliers follow the relevant principles in this ESG Policy"*
- *"Caybon recognises each employee's right to form or join trade unions according to the laws and principles in the respective countries in which the group operates"*

Caybon.

SCOPE OF PRESENTATION

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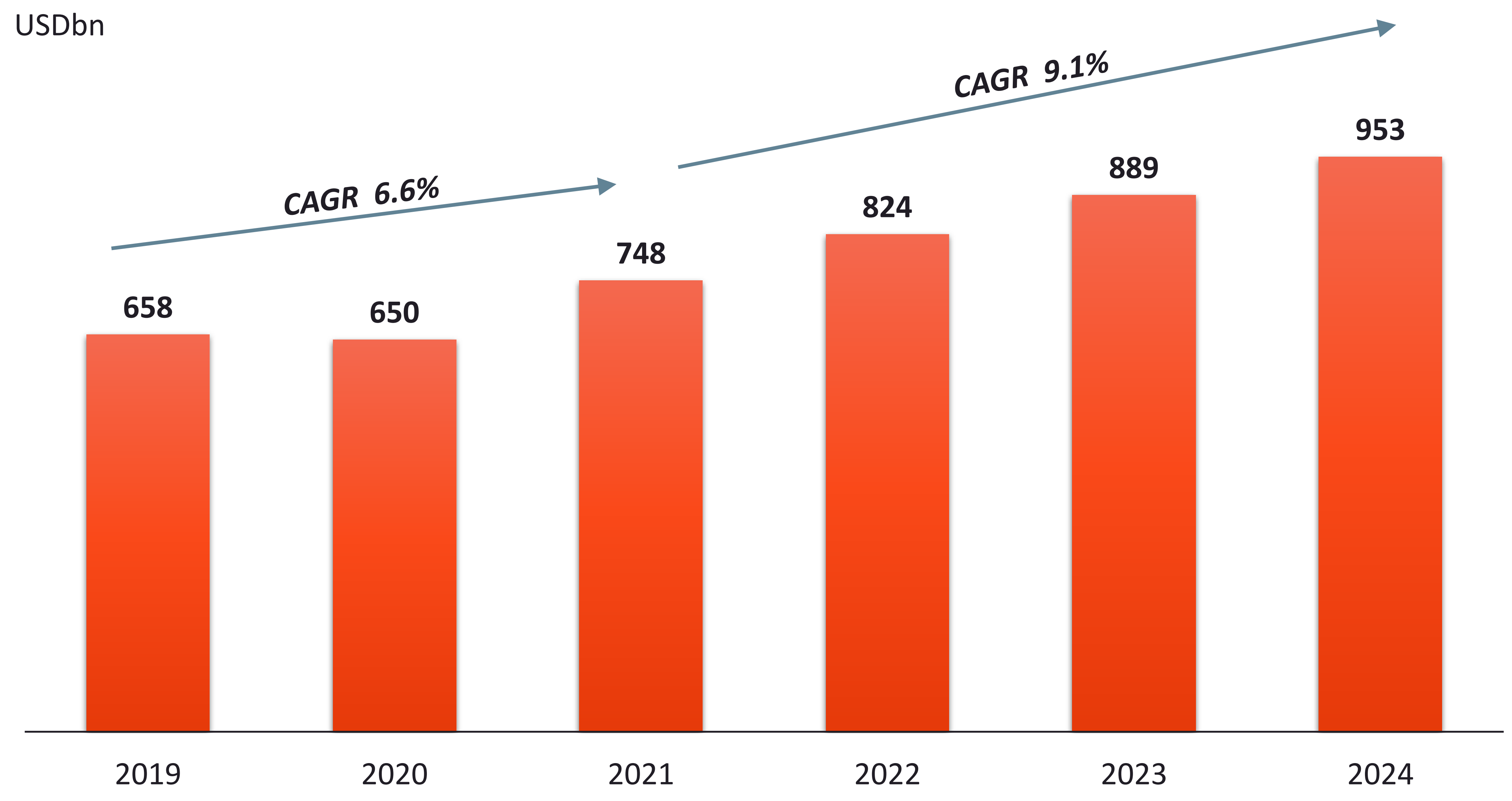
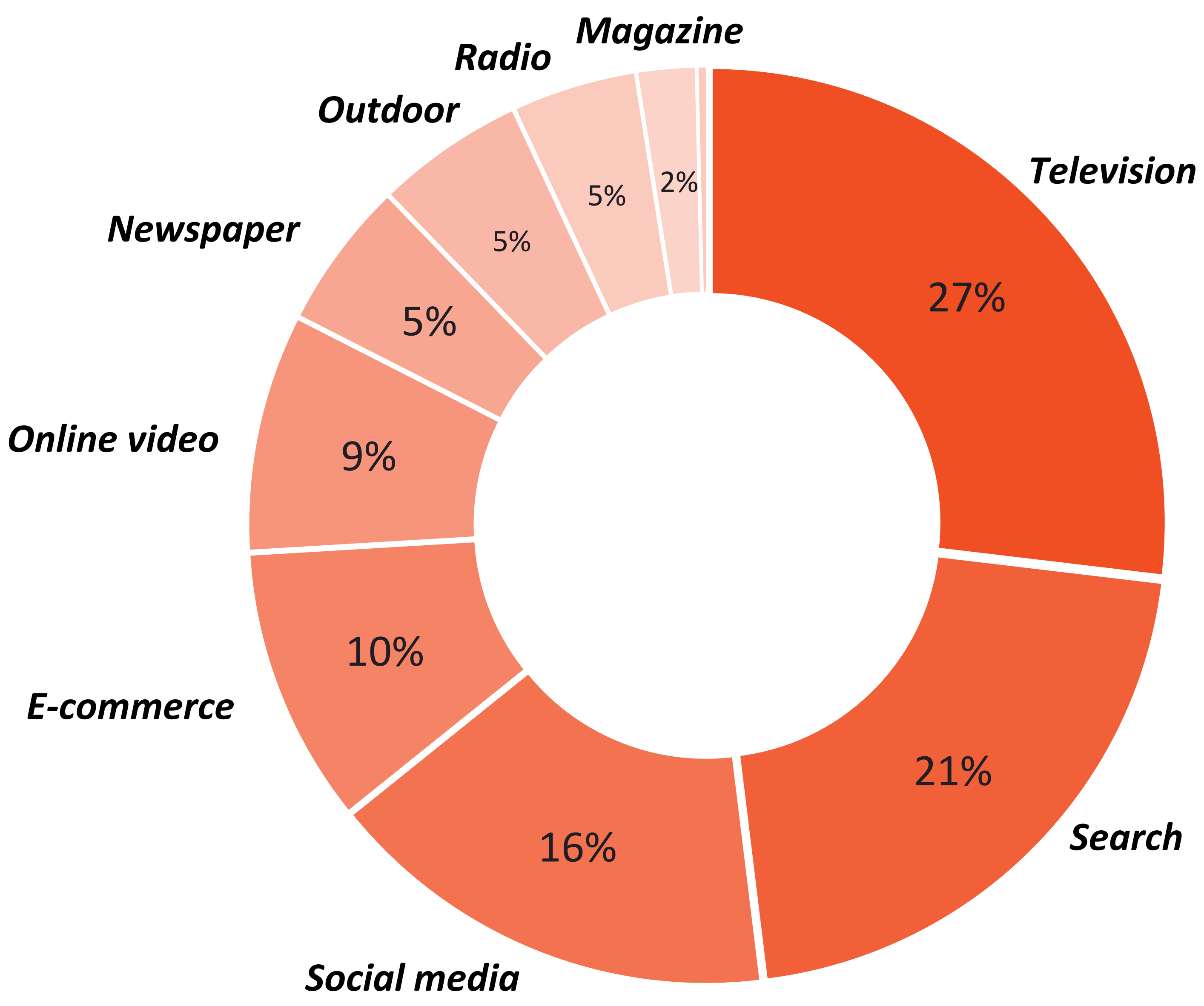
Media & marketing is a global industry with strong growth projections

Total market size – *global ad spend*



Size per channel



Global media ad-spend

- The global marketing market has seen strong growth the recent years and is expected to continue to grow. The global media ad-spend market alone is estimated to approach USD 1 trillion dollars by 2024
- The recent growth has been driven by the transition to digital marketing which is expected to continue to drive ad-spend

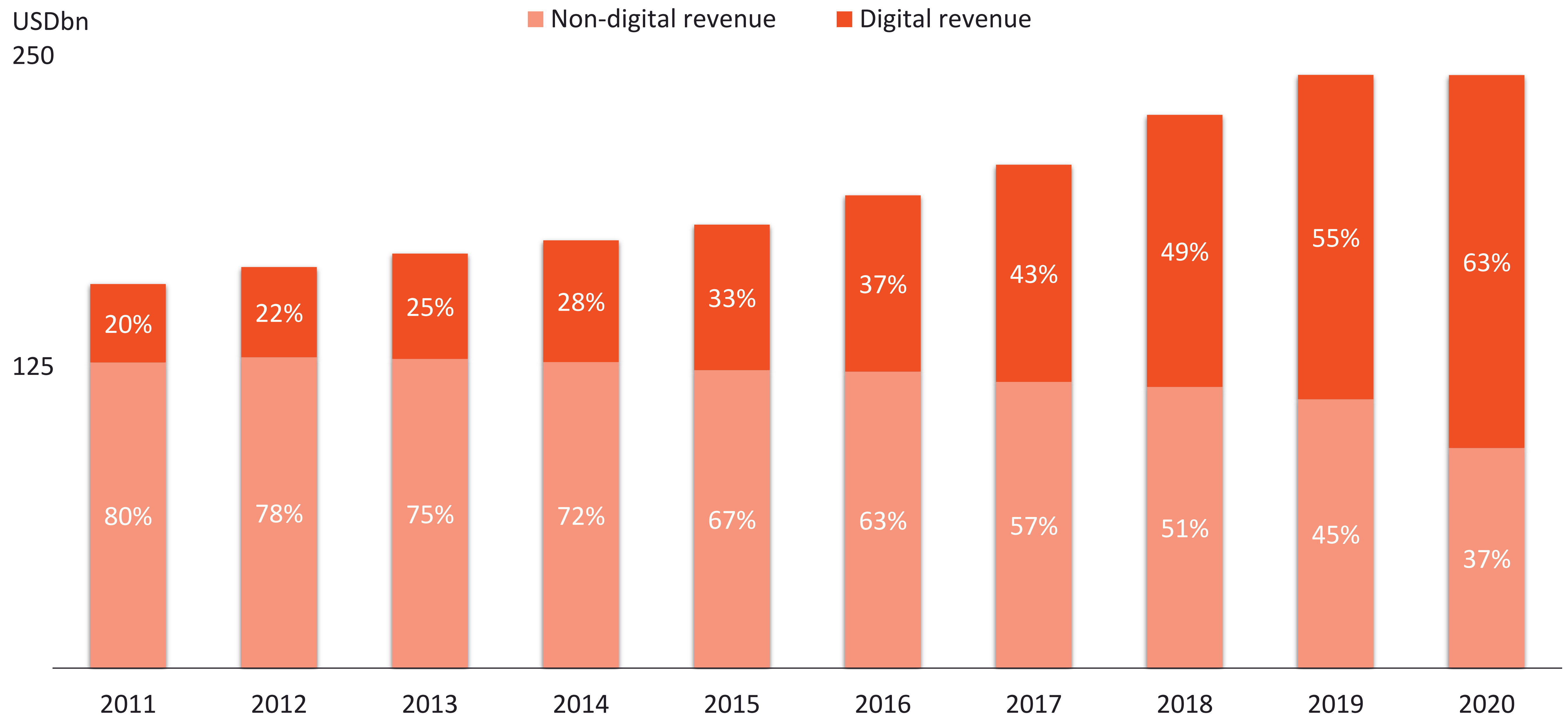
Diversified in terms of channels

- The past decades has seen a significant diversification in terms of ways to approach end users and traditional marketing channels are becoming less dominating and are replaced by social media and marketing through internet search engines
- Technology is the key driving force behind new and rapidly growing categories. This opens up for significant innovation opportunities in marketing product offerings
- The increased channel diversification makes the consumer approach more complex to understand - increasing the need for media marketing specialists

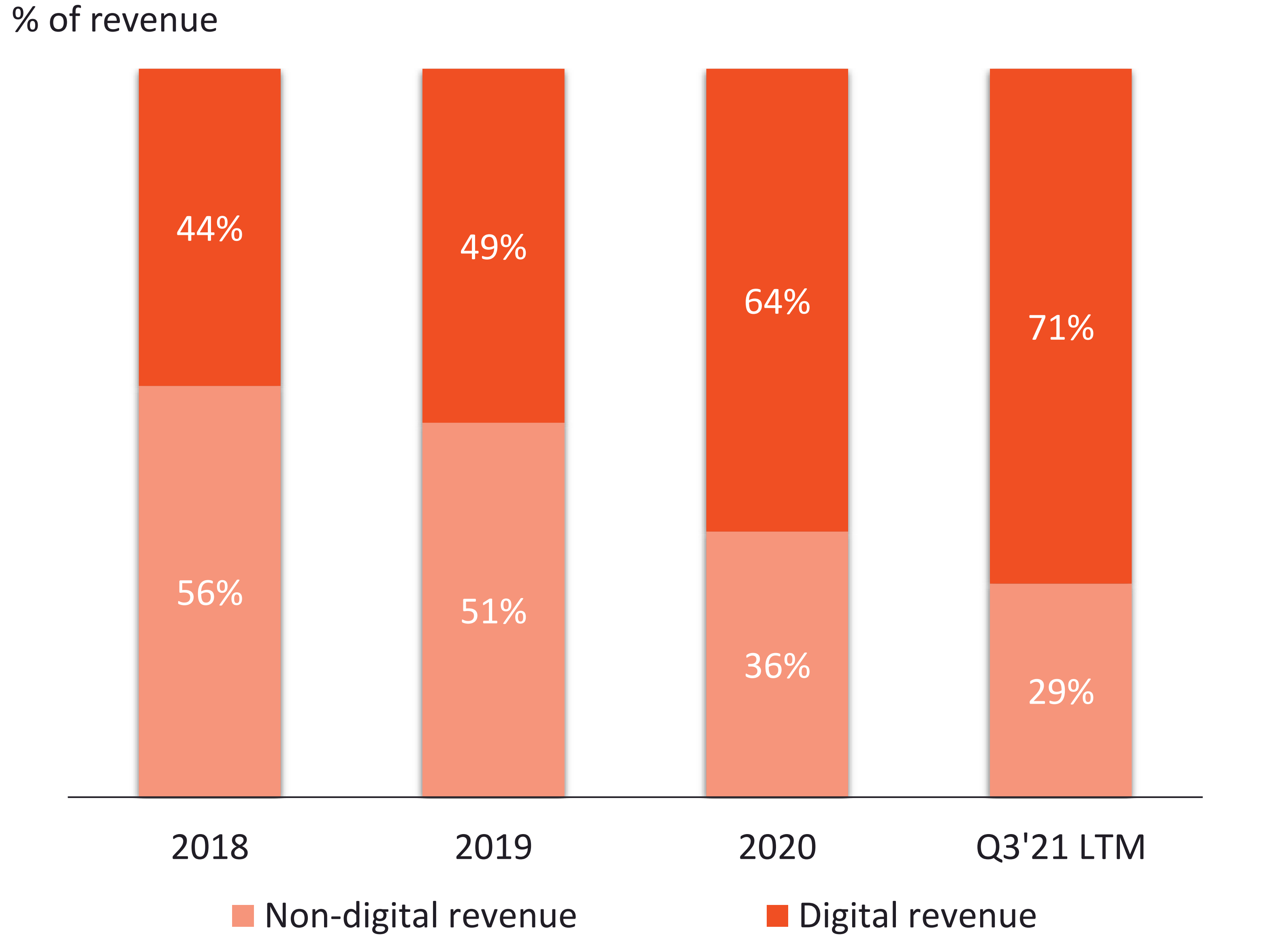
Total Market Size source: Worldwide Digital Ad Spending 2021, eMarketer, Insider Intelligence
Size per channel source: Global Advertising spend, WARC DATA
13 Powerful Reasons To Diversify Your Marketing, Forbes

Digital marketing channels are dominating

Marketing spend per channel – *United States*



Caybon is at the forefront of the transition



- At Caybon digital products and distribution is increasing relative to non-digital and currently digital media accounts for +71% of total revenue Q3’ 21 LTM
- Annual growth of digital revenue has been 28% between 2018-Q3’21 LTM and has been a important contributor to revenue growth
- Analog or printed media will continue to be part of the offering as long as clients find it attractive in order to reach their target consumers

The environment for marketing is changing rapidly

- The advertising landscape has changed significantly over the last couple of years in conjunction with the rapid change in the internet- and social media space
- Digital channels now account for more than half of total ad spend mainly driven by strong growth in social media, video, e-commerce and internet search which has had a negative impact on traditional channels such as TV and print. Over the past 10 years digital ad-spend has grown by 19% p.a. on average
- In recent years the trend has been driven by growth in advertising on mobile devices

Marketing spend per channel – *United States* source: Digital News Fact Sheet, Pew Research Center

Digital media especially effective with wide reach

Social media is highly effective

- Social media is the second most effective way to reach your target group and make sure they discover your brand via ads
- The most common source for online news is social media as consumers spend more time on online press
- Out of 47 tracked markets in 33 of them people surveyed typically saw their news on social media more often than news websites
- Social media has a potential advertising audience of billions of active users and also provides increased exposure, leading to a larger reach and impact

Projected global growth by segment
2020-2025

Online TV
CAGR: 10%

Music streaming, Radio & Podcasts
CAGR: 9%

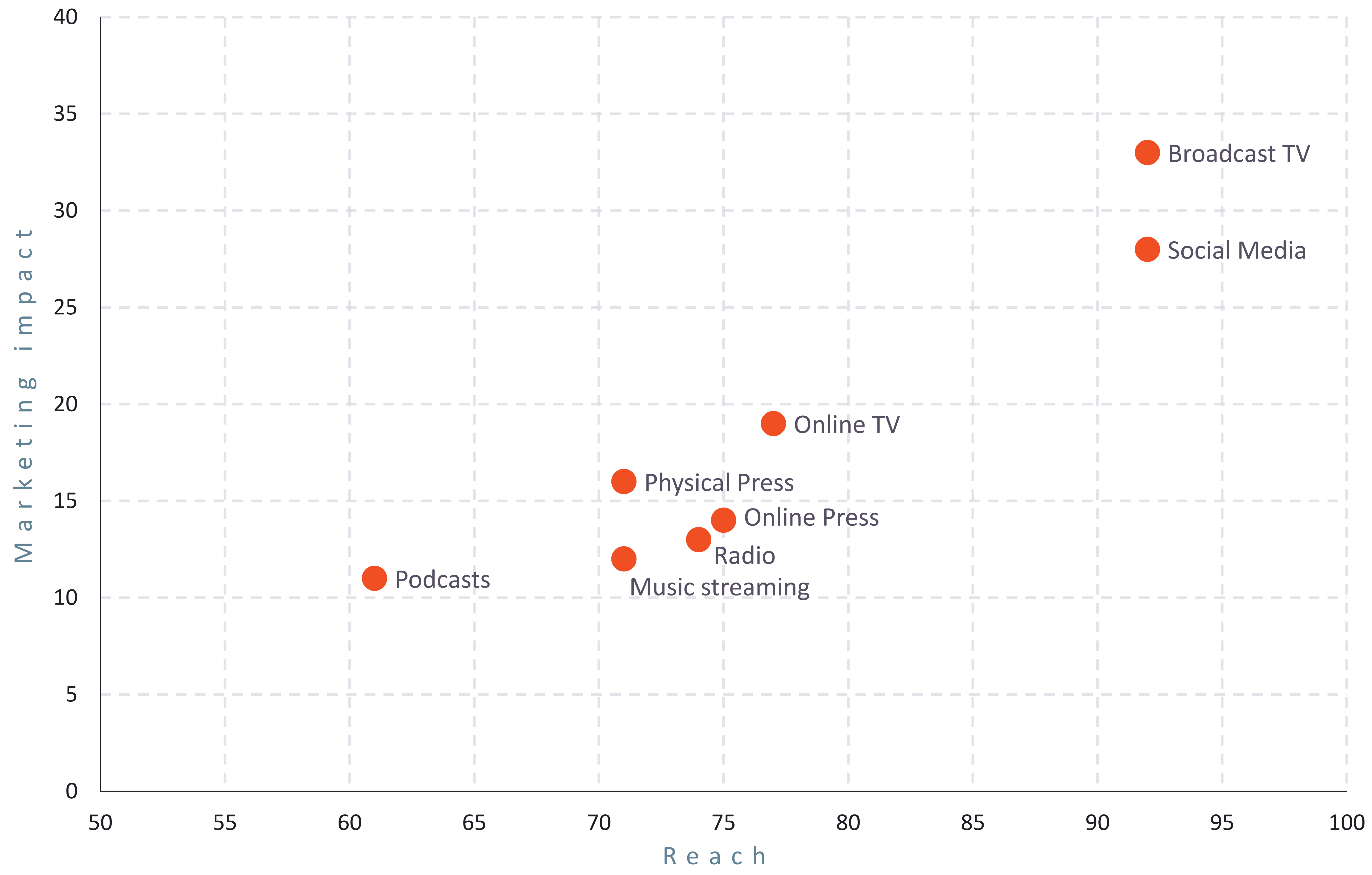
TV advertising
CAGR: 4%

Newspaper & consumer magazines
CAGR: -1%

Global ads total
CAGR: 7%

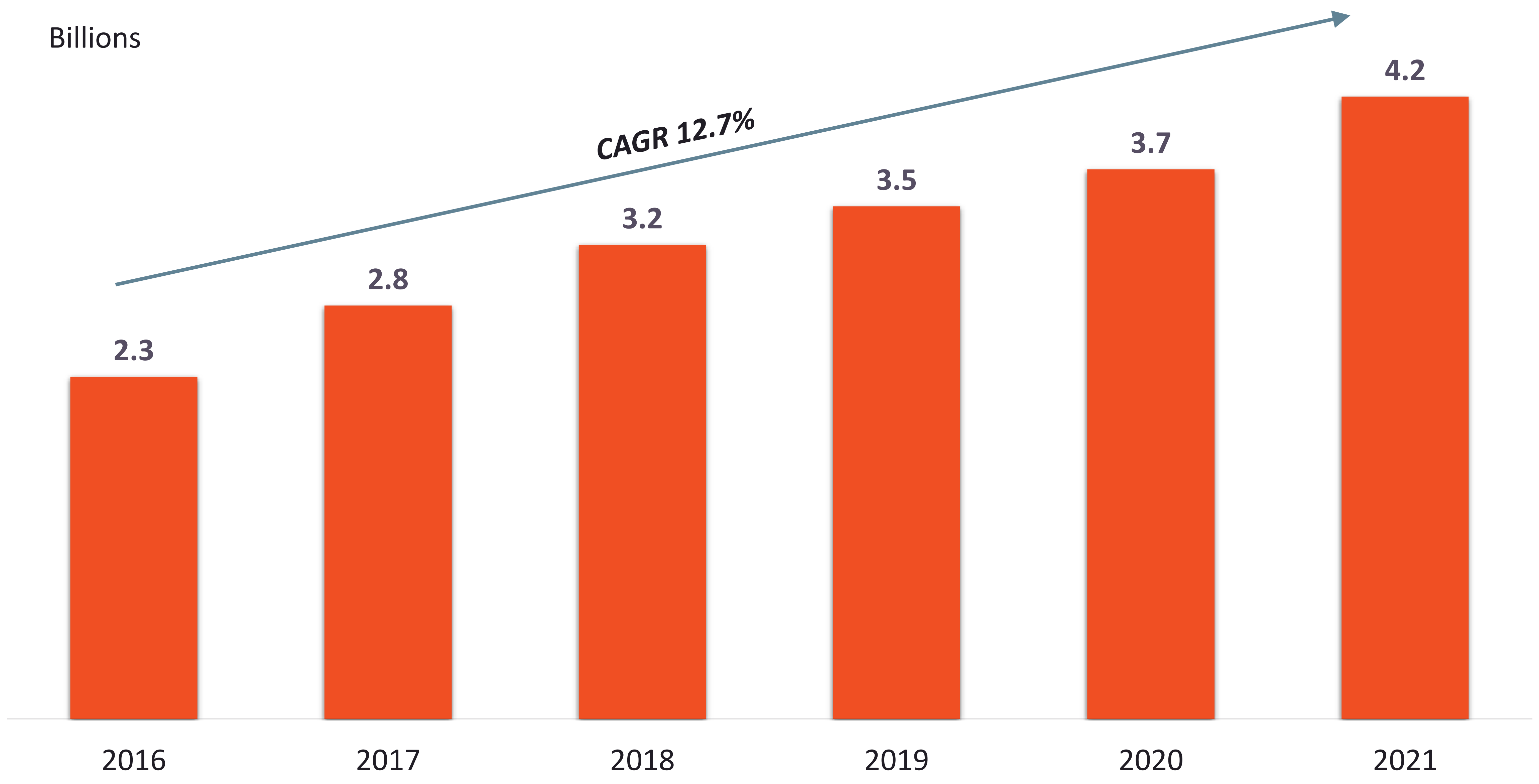
Internet advertising
CAGR: 8%

Media reach vs ad impact

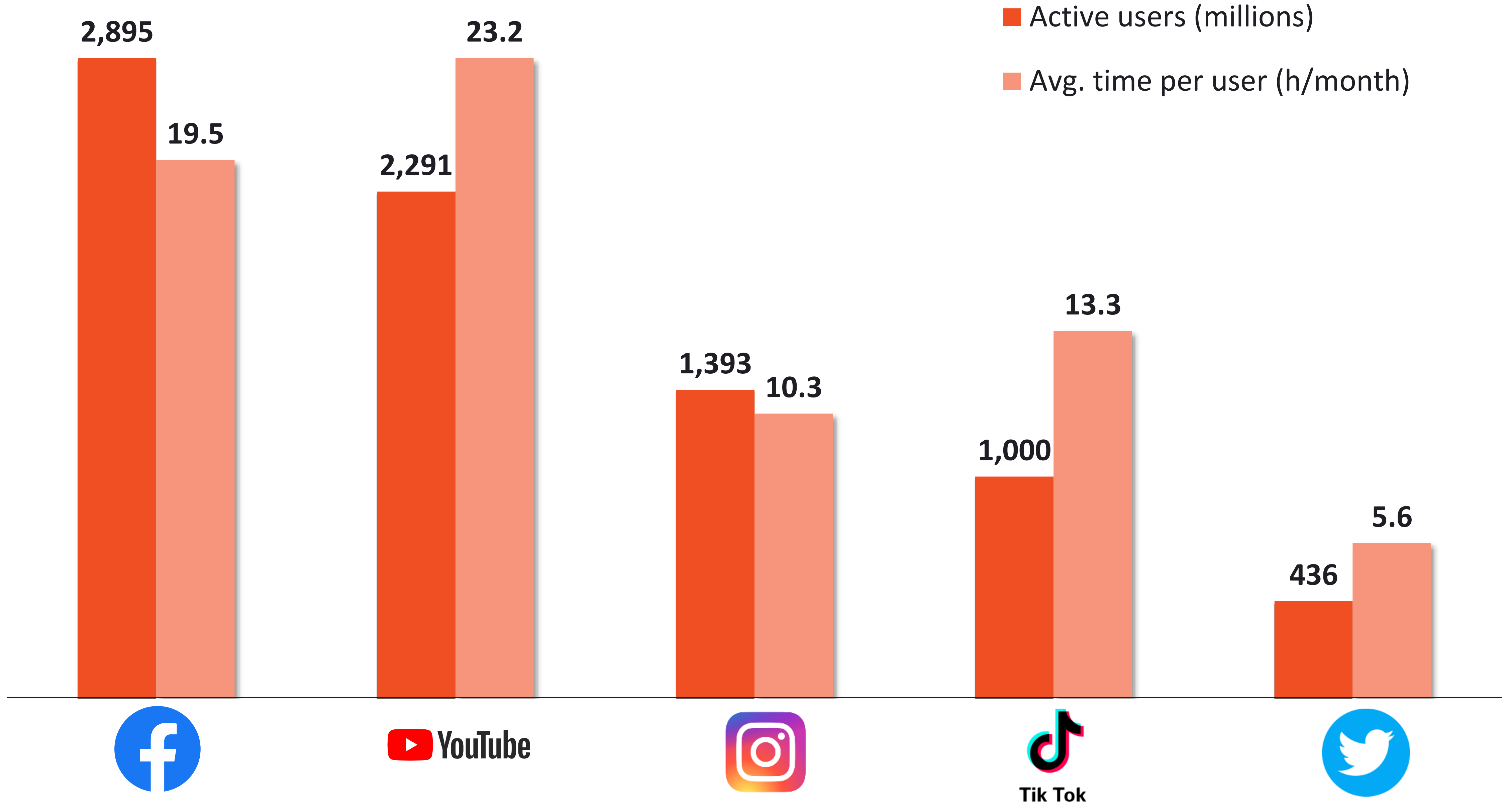


Social media is becoming the dominant channel

User development



Users per channel



Social media users as percentage of global population

57.6%

Annual change in the number of global social media users

+9.9%
+409 Million

Social media users

- The growth in social media has offered great opportunity for media marketing agencies to evolve their business model and offer new services to its clients
- Total users of social media has seen a strong and continuous growth with a CAGR of ~13% for the last 6 years – today 58% of the global population is accessible through social media
- The most popular channels are Facebook and YouTube, both in terms of number of users and time spent on the channel per months. These are also the two channels where Caybon is most active

Average amount of time per day spent on social media

2H 27M

Average number of platforms used each month per internet user

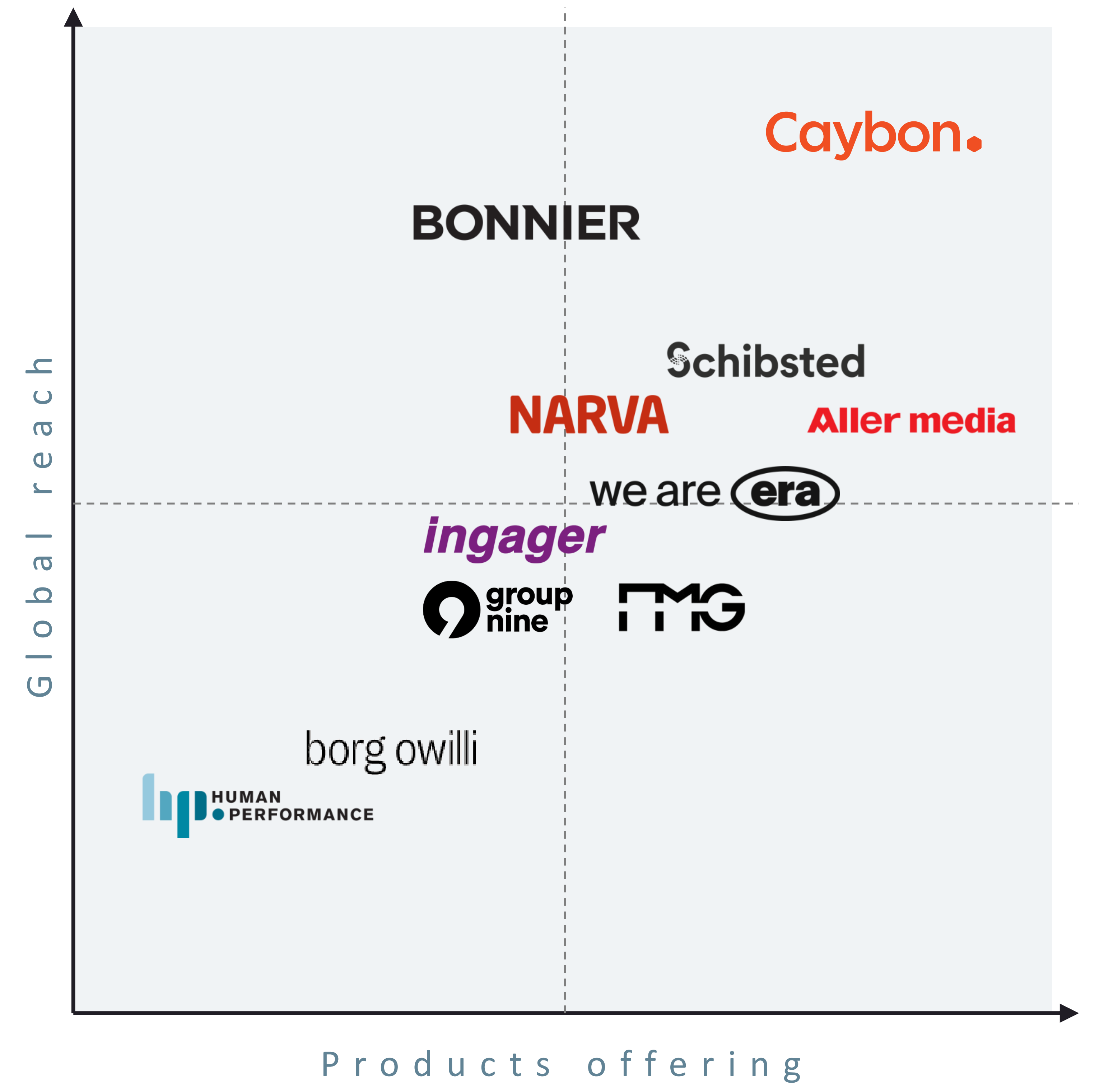
6.7

Fragmented competitive landscape dominated by locals and specialists

Selected overview over competitive environment

Company	Description	Competition	Offering			Sales *(SEKm)*	Geographical markets
			Traditional	Digital	Programmatic		
HUMAN PERFORMANCE	Traditional content marketing agency	mediaplanet	✓			36	1
borg owilli	Traditional content marketing agency	appelberg	✓			63	1
Aller media	Media house who's target group is primarily women and has several inhouse brands which the company can use to distribute ads. It also works with relevant influencers. Offers traditional content marketing services through make your mark and Narva	appelberg Newsner	✓	✓		1,600	4
group nine	Group Nine Media, is a leading video publisher on mobile in the U.S. - and parent company of Thrillist, NowThis, The Dodo, Seeker, and POPSUGAR	Newsner			✓	1,700	2
ingager	Ingager is digital communications agency exclusively focused on the Facebook platform	N365		✓		145	3
we are era	We Are Era is a Europe-wide media company that combines creators, reach, content and production under one single brand.	SPLAY ONE		✓		1,000	8
Caybon.	A digital media marketing group of five individual brands to offer best in class media services to a global base of local and blue chip customers		✓	✓	✓	**1,000**	**14**

Competitive dynamics



The market in which Caybon operates is highly fragmented and characterised by local niche players with less geographic reach and product offering than Caybon

Source: Company information
2). USD/SEK 8.76

Caybon.

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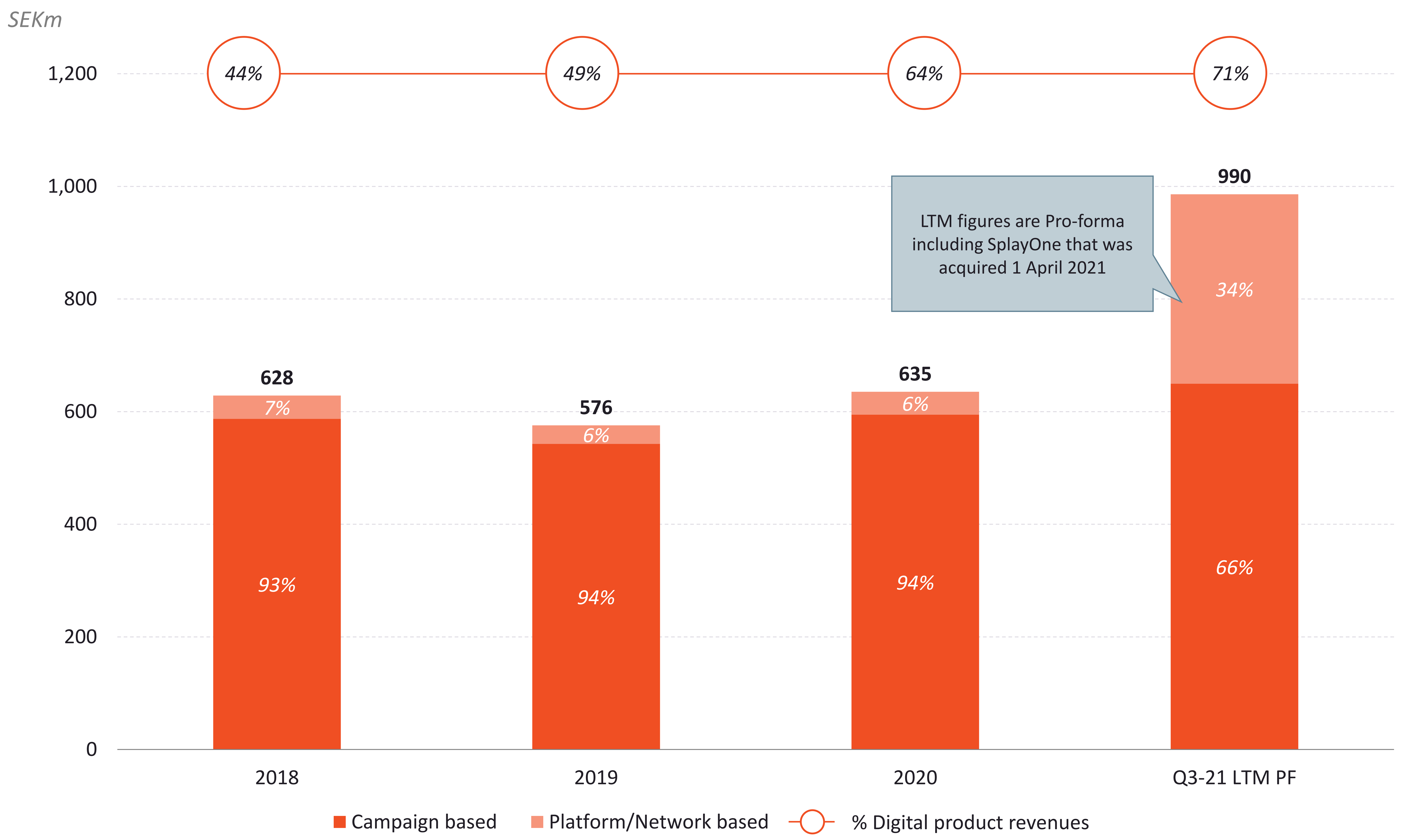
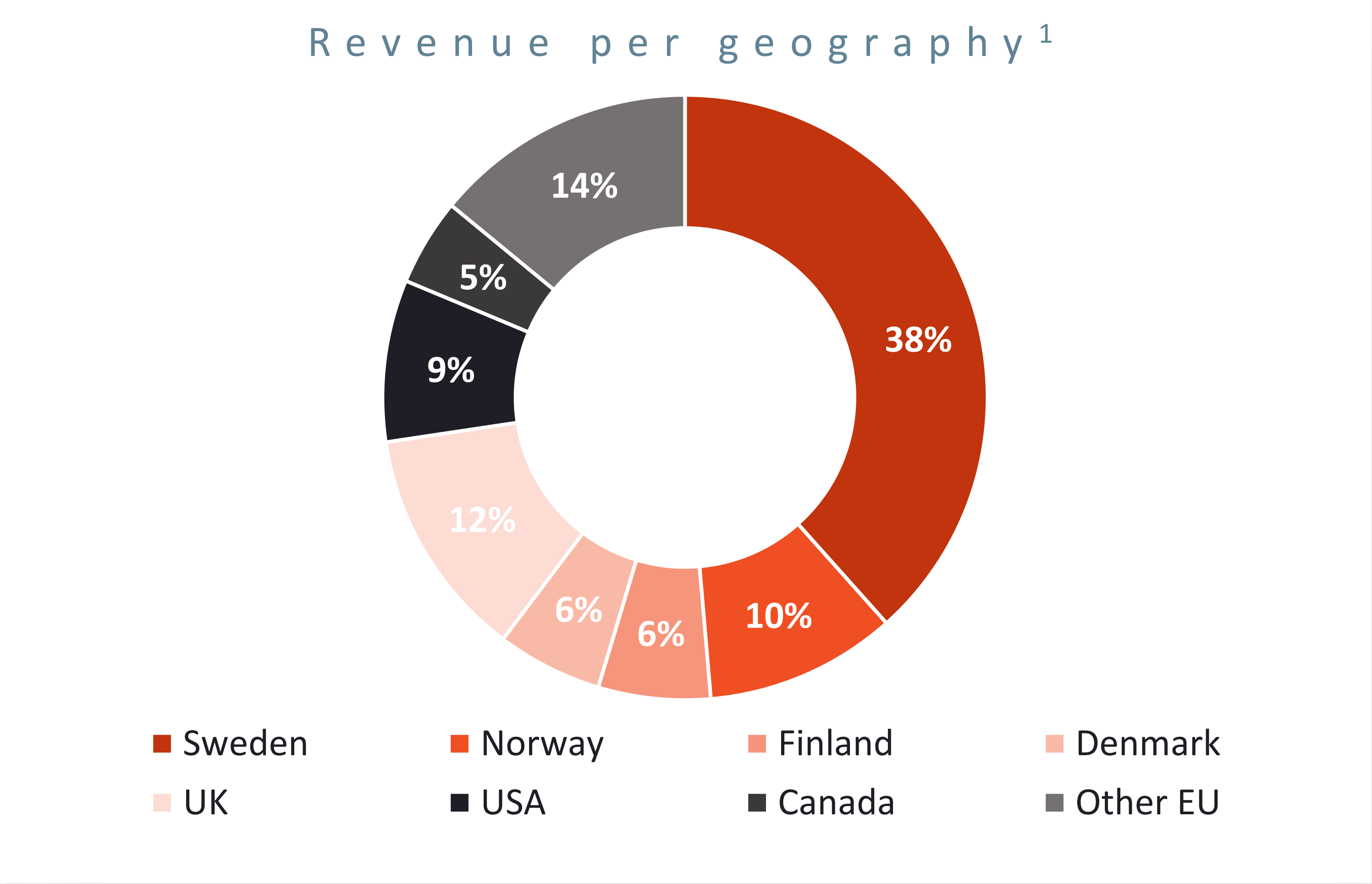
Revenue growth from digital transition and recent M&A

Revenue development



Comments

- Caybon has a diverse revenue base from more than 6,000 unique customers globally, 14 operational countries and five individual brands with different business profiles
- The strong revenue growth in 2021 of 56% vs 2020 is partially driven by the acquisition of Splay One. Underlying organic revenue growth for the same period has been 12%
- The transition towards digital marketing continues and for the period LTM >70% of revenues are from digital products

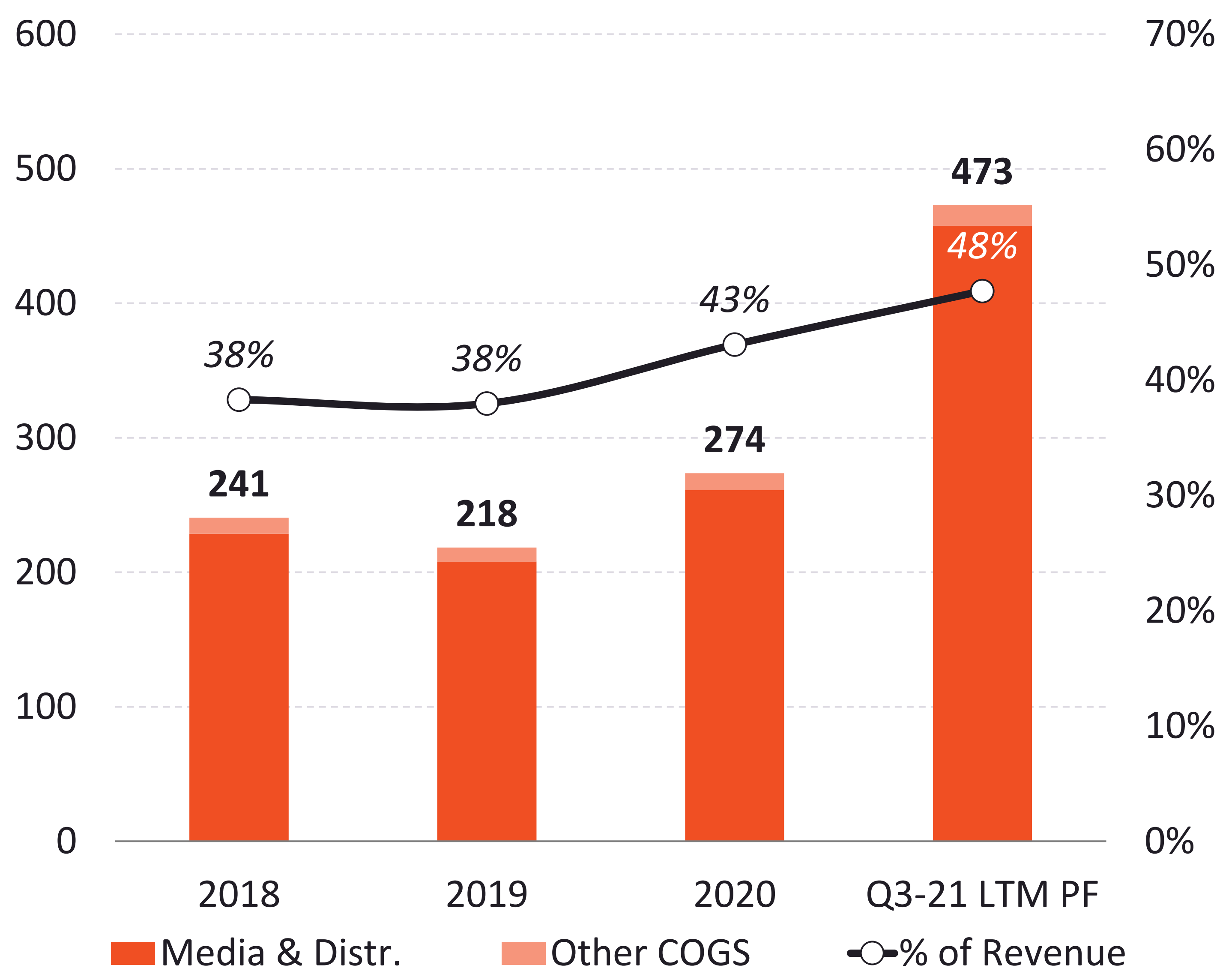


1) Year-to-date

Margin expansion through operational leverage

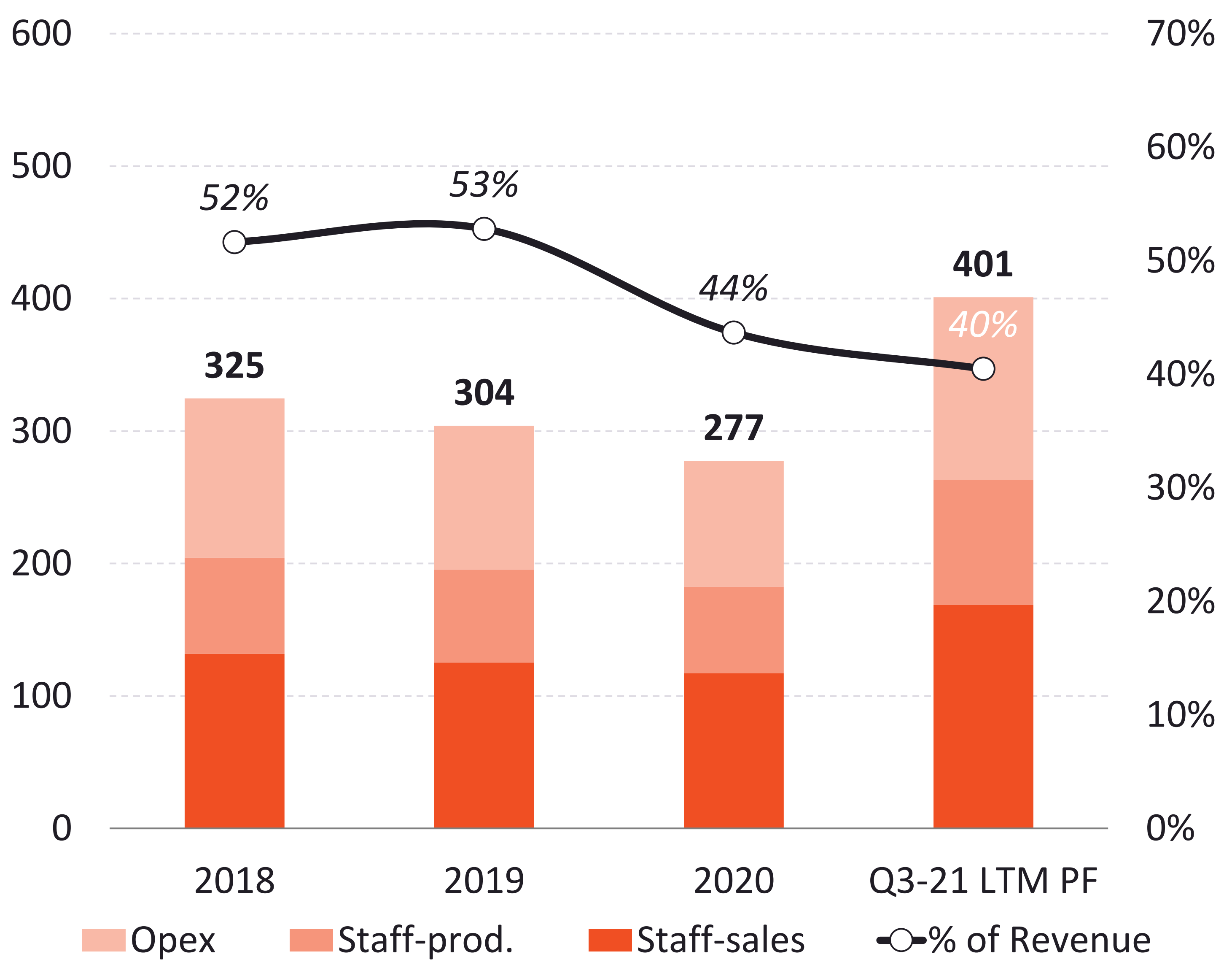
Cost overview

Direct costs



- Direct costs are mainly related to media and distribution costs such as costs related to print and the purchasing of traffic online
- The increase in direct costs in relation to sales is mainly due to product mix effects that has higher distribution costs relative to overhead and personnel

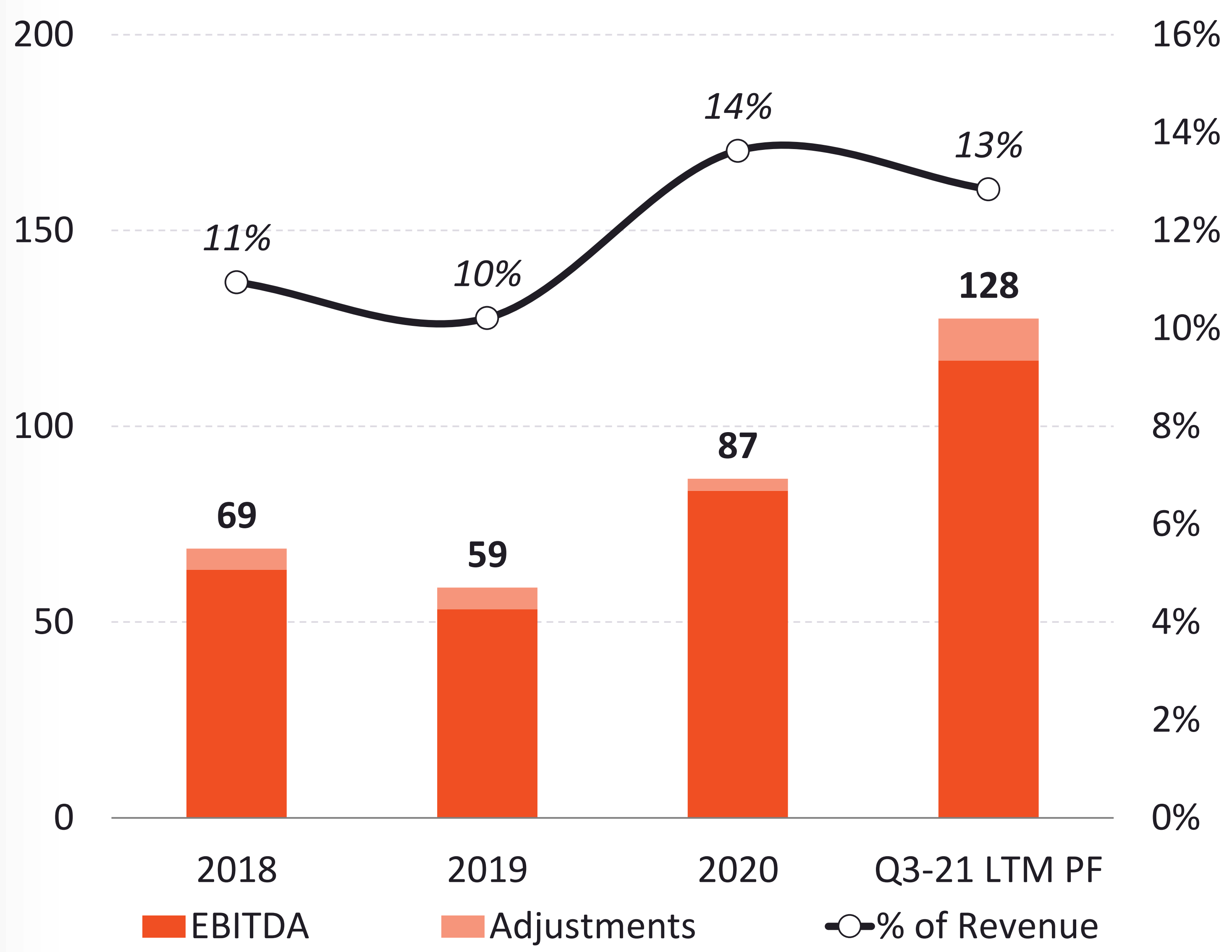
Overhead and personnel



- Staff costs are related to both sales and content production and is a vital part of Caybon's operation. Staff is compensated with a salary structure that is partially flexible to motivate and provide flexibility in the cost base
- The reduction in costs relative to sales can be attributed to greater operational leverage and efficiency. With the current staffing there is still some headroom to grow

Adj. EBITDA

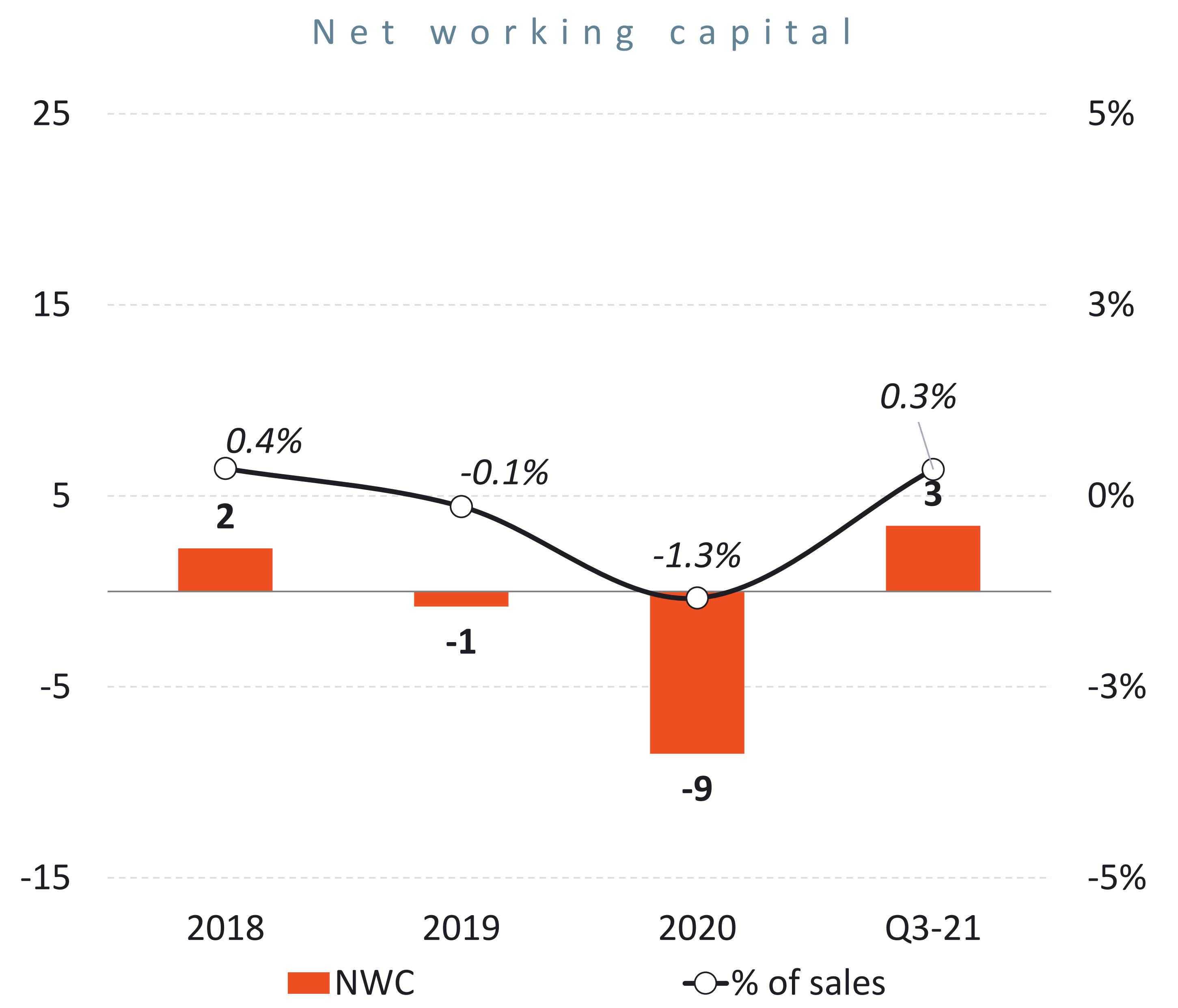
EBITDA and adjustments



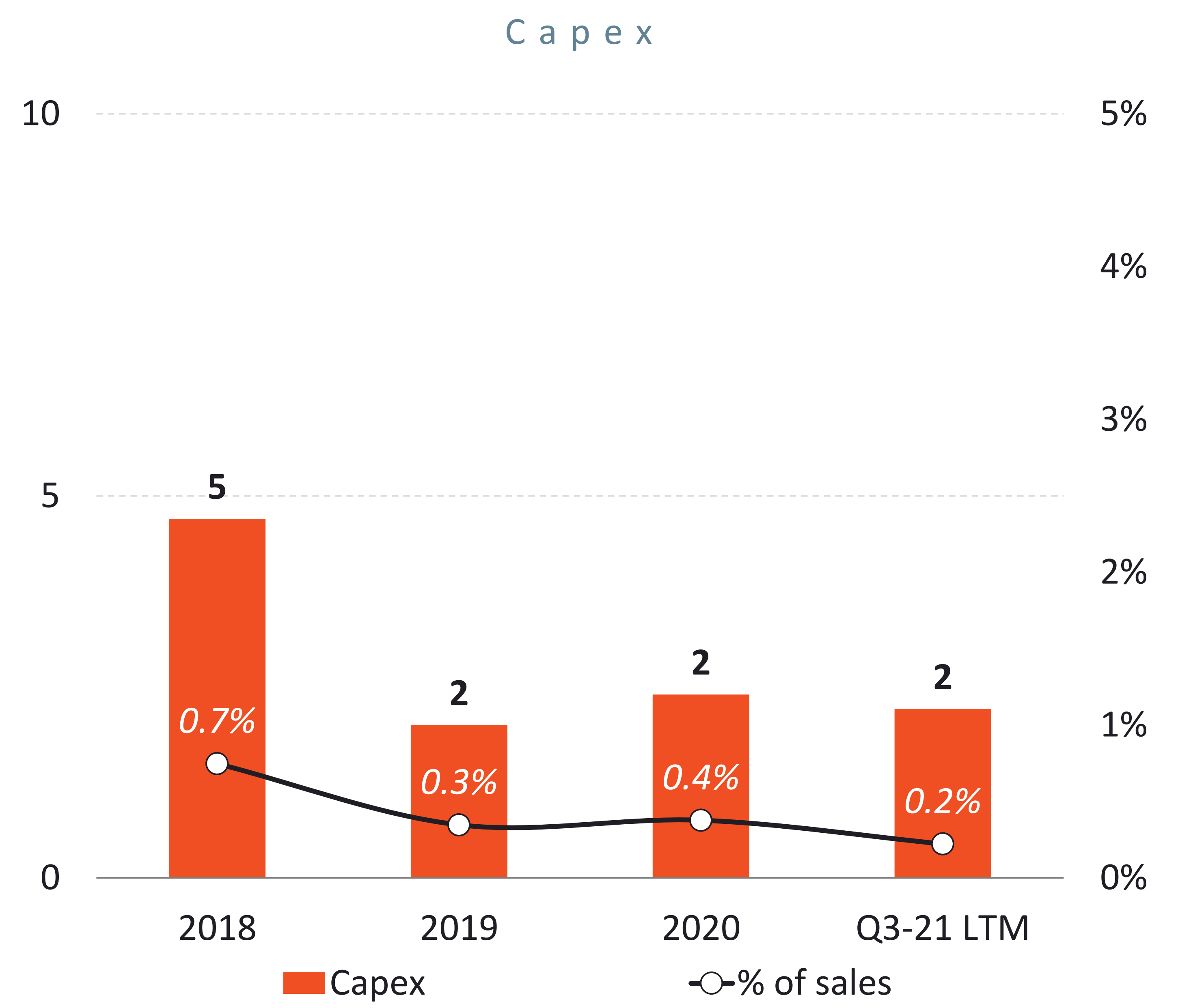
- Caybon has seen margins returning to historical levels for 2020 and LTM driven by increased efficiency and operational leverage throughout the various business units
- For the period LTM vs 2020 the reduction in margin is due to margin dilution from SplayOne. Adj.EBITDA margin of 15% excl. SplayOne

Asset light business model ensuring high cash conversion

Cash flow items

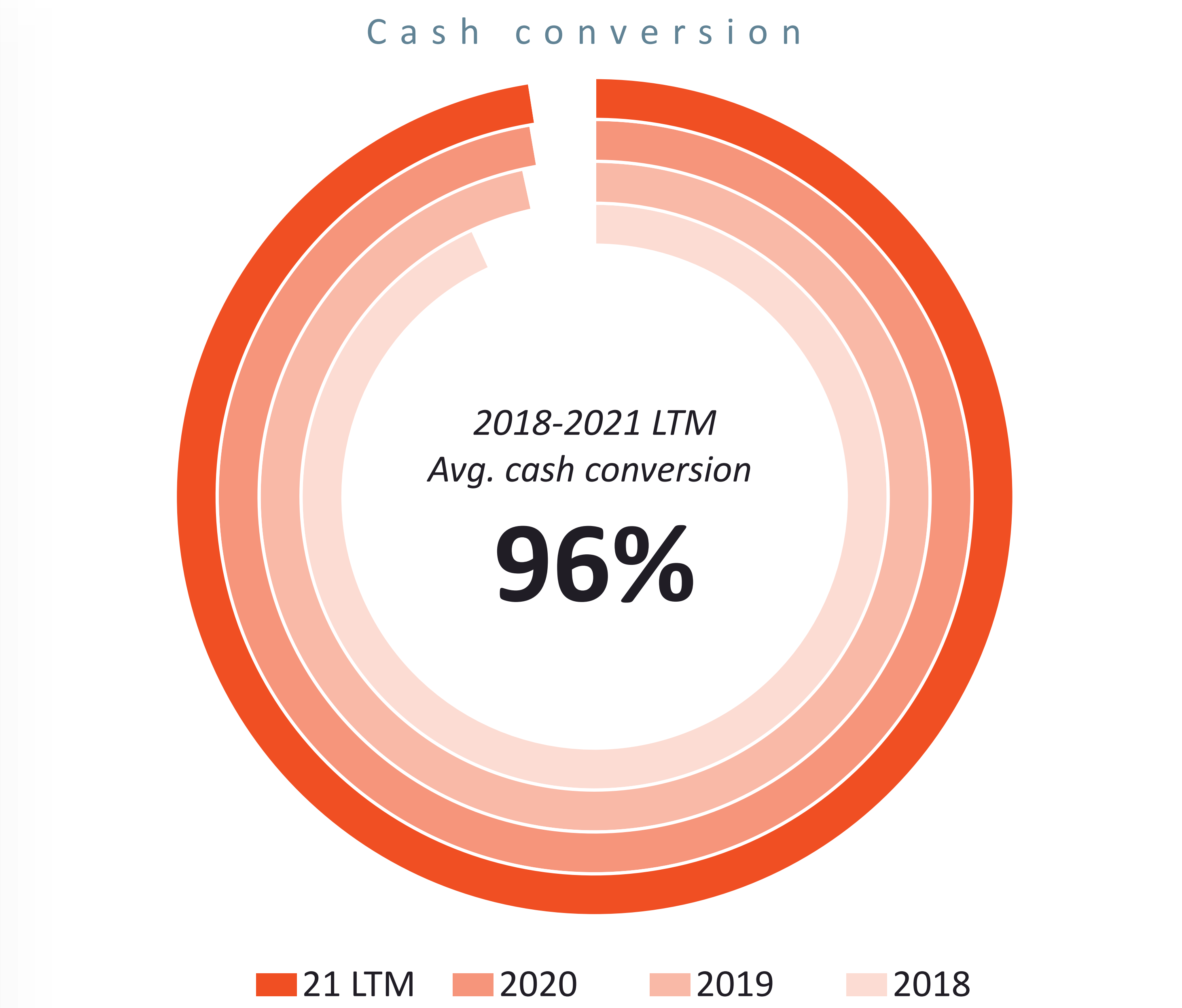


- Caybon is continuously working to optimise its working capital. In general Caybon has a rather neutral working capital profile and the strong revenue growth the past year has not required any build-up of working capital due to partly pre-paying customers



- The asset light business model of Caybon is visible in its limited capex requirements. Historically capex has been below 1% of revenues. The needed capex in the business is mainly related to office equipment

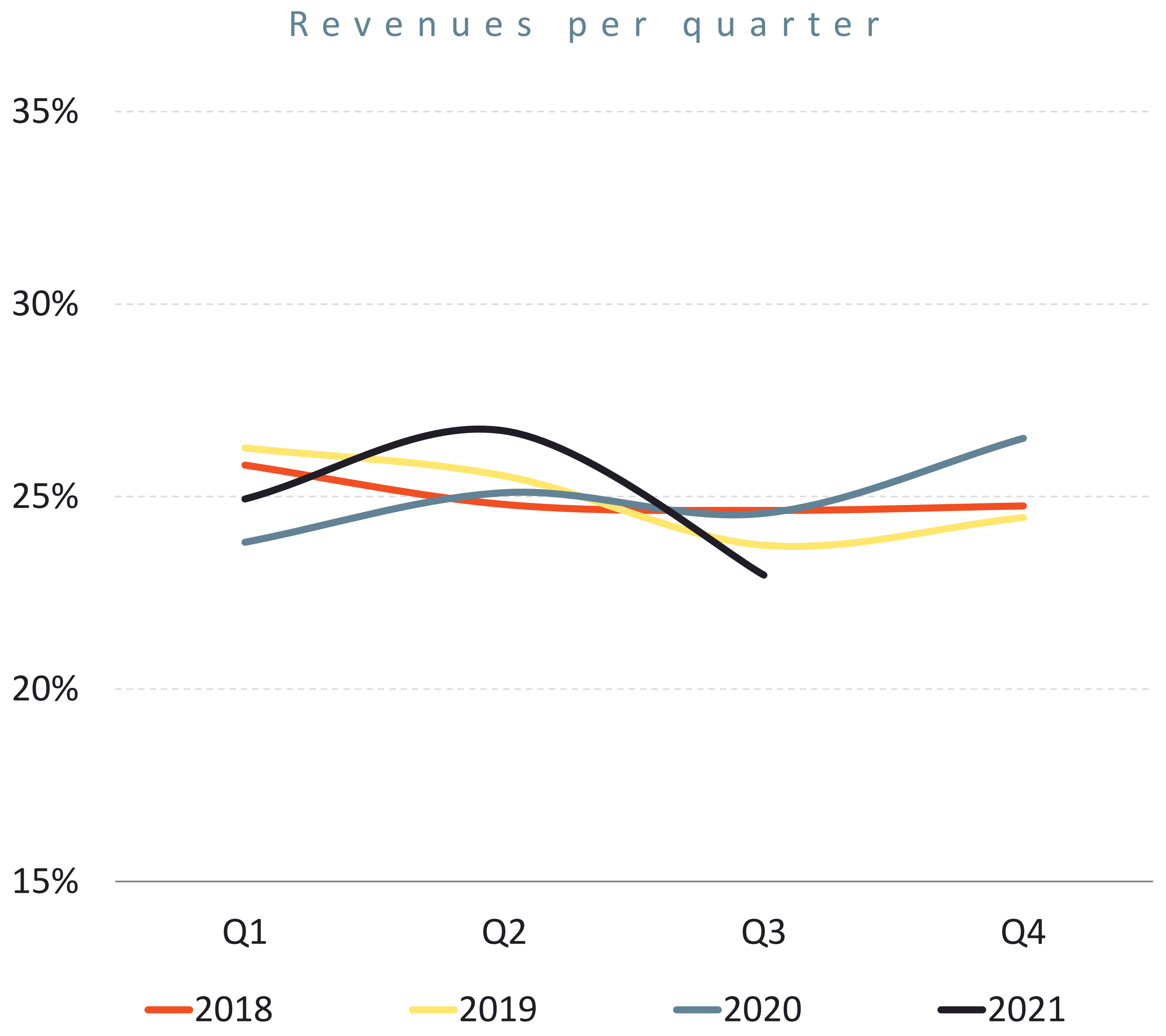
Cash conversion



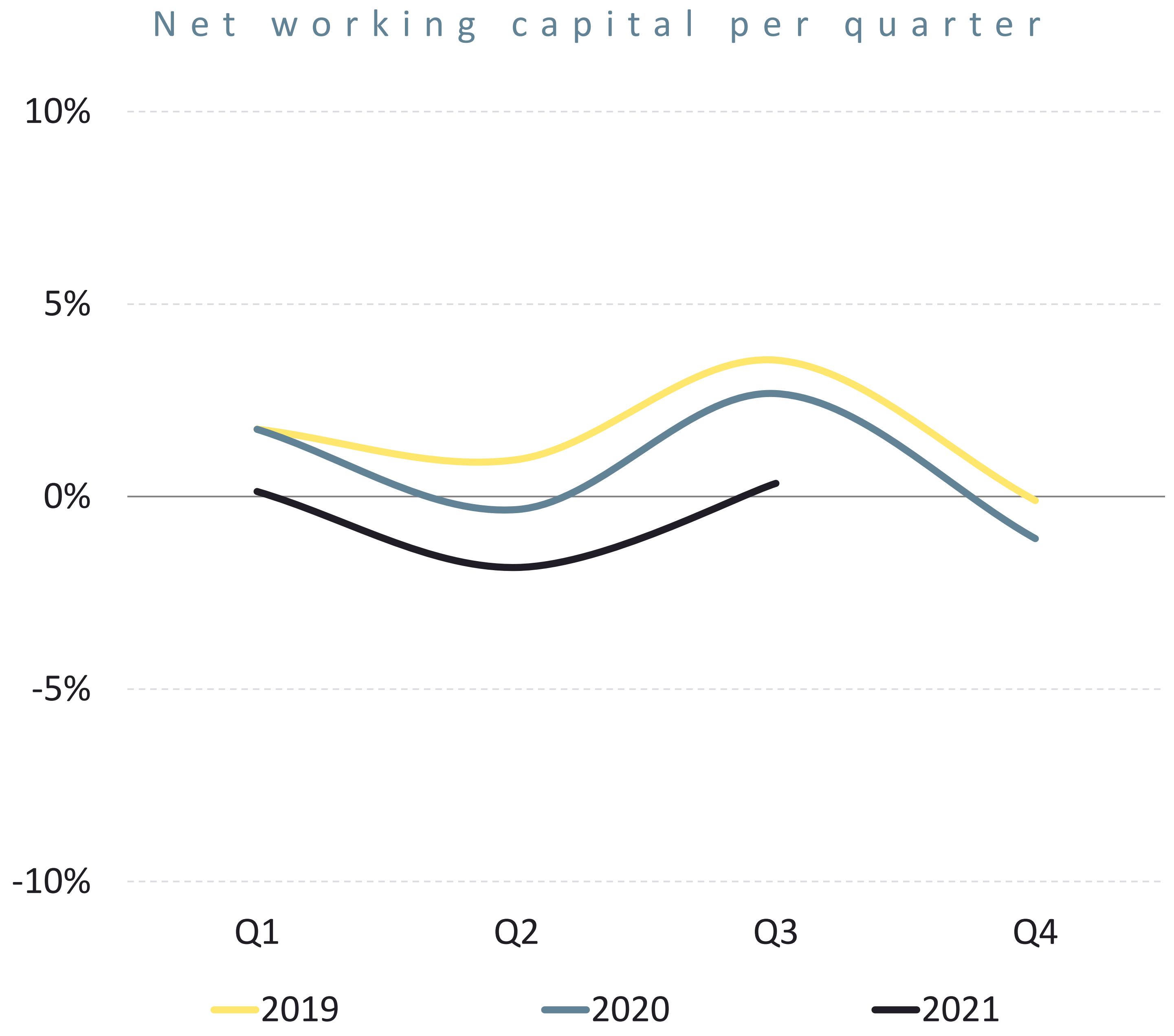
- Strong cash conversion due to an asset light business model resulting in strong free cash flows available for debt service. If NWC releases are to be included cash conversion would be ~100%

Limited seasonality and natural FX hedge

Seasonality

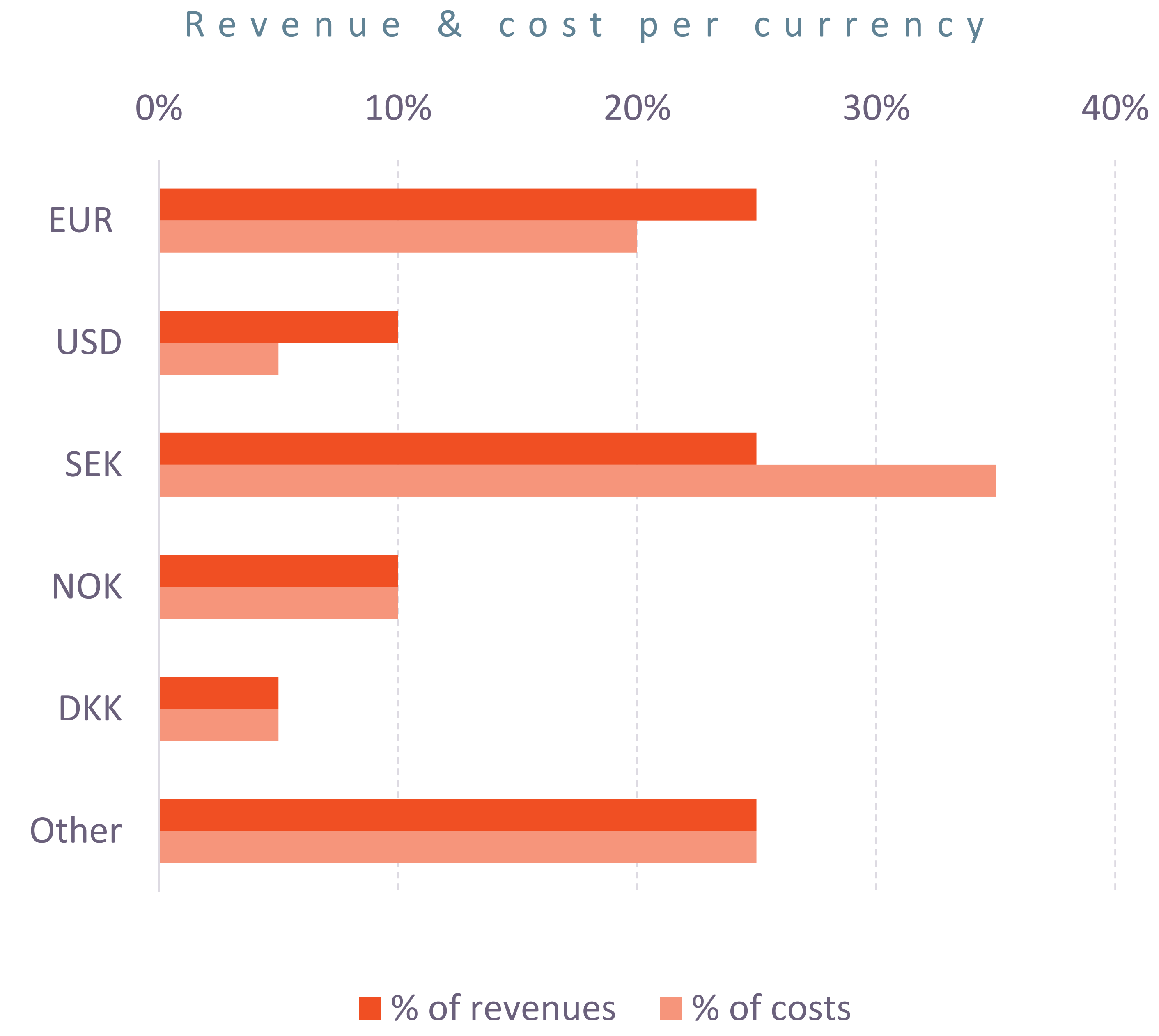


- There is limited revenue seasonality in the operations of Caybon. The limited seasonality that can be observed is mainly related to variety in number of calendar days in each quarter and vacations



- Net working capital fluctuations are mainly related to changes in accounts receivables and accounts payables on the back of campaign launches during the quarter and year. In total quarterly fluctuations in NWC is usually less than <2% of LTM revenues

FX exposure



- With operations in 14 countries Caybon has some FX exposure, this is partially naturally hedged through costs being realised in the same currency as revenues

SCOPE OF PRESENTATION

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1. Transaction summary
2. Company introduction
3. Market overview
4. Financials
5. **Appendix**

Quality of earnings

Quality of earnings 2018-2021YTD

	EBITDA *(SEKm)*	2018A	2019A	2020A	2021 YTD Q3	2021 LTM Q3 PF
	Reported EBITDA	**63.3**	**53.2**	**83.5**	**98.6**	**116.8**
I	Severance pay/new hiring & recruiting	1.8	3.0		1.8	1.8
	Advisor fees	1.7				
II	Office liquidation costs		2.5	0.1	0.5	0.5
III	Traffic purchases overpay	1.5		3.0		
IV	Splay-One Cost synergies					8.5
	Other	0.5				
	Total Non recurring items	**5.4**	**5.5**	**3.1**	**2.2**	**10.7**
	Adjusted EBITDA	**68.8**	**58.8**	**86.6**	**100.8**	**127.5**

Comments

Caybon has a policy to adjust EBITDA for certain non-recurring items that are considered to not reflect the underlying performance of the business:

- I Personnel costs: Costs related to personnel on a leadership level related to leaving employees and new hires such as paying double salaries, exit bonuses and HR consulting agencies for recruitments
- II Related to double pay of offices and rental payments in lock up period after offices are discontinued
- III Two incidents where Caybon has paid excessive for purchasing traffic due to human error
- IV Cost synergies are mainly related to reduced personnel costs and reduced rental cost due to co-locating offices with the rest of the group

Source: Company information, 2018 and 2019 is excluding discontinued business units

Profit and loss – *consolidated group accounts*

Profit and loss 2018-2021YTD

Income statement (*SEKm*)	2018A	2019A	2020A	2021 YTD Q3	2021 LTM Q3 PF
Revenue	**628.3**	**575.7**	**634.7**	**669.3**	**990.7**
Growth, %		*-8.4%*	*10.2%*	*44.2%*	*56.1%*
Media & Distribution costs	-228.6	-208.0	-261.3	-304.6	-457.5
Distribution profit	**399.9**	**367.8**	**373.4**	**364.8**	**533.2**
Margin, %	*63.7%*	*63.9%*	*58.8%*	*54.5%*	*53.8%*
Other COGS	-12.1	-10.5	-12.4	-8.6	-15.3
Staff cost production	-72.6	-70.4	-65.1	-63.3	-94.4
GP1	**315.3**	**286.8**	**295.9**	**292.8**	**423.5**
Margin, %	*50.2%*	*49.8%*	*46.6%*	*43.8%*	*42.7%*
Sales costs	-131.7	-125.2	-117.4	-111.8	-168.7
GP2	**183.5**	**161.6**	**178.6**	**181.0**	**254.8**
Margin, %	*29.2%*	*28.1%*	*28.1%*	*27.0%*	*25.7%*
OPEX	-120.2	-108.4	-95.1	-82.4	-138.0
Reported EBITDA	**63.3**	**53.2**	**83.5**	**98.6**	**116.8**
Margin, %	*10.1%*	*9.2%*	*13.2%*	*14.7%*	*11.8%*
Add-on cost synergies					8.5
Non recurring items	5.4	5.5	3.1	2.2	2.2
Adjusted EBITDA	**68.8**	**58.8**	**86.6**	**100.8**	**127.5**
Margin, %	*10.9%*	*10.2%*	*13.6%*	*15.1%*	*12.9%*
Depreciation and amortisation	-26.9	-32.7	-25.8	-21.2	-27.9
Adjusted EBIT	**41.9**	**26.0**	**60.8**	**79.6**	**99.6**
Margin, %	*6.7%*	*4.5%*	*9.6%*	*11.9%*	*10.1%*

Comments

The income statement represents the consolidated statement for the existing Caybon group. The figures are presented according to IFRS16

SplayOne has been included pro-forma in the last-twelve-months figures for the full period whilst they are included from 1. April 2021 in the year-to-date figures

Source: Audited financial statements and company information, 2018 and 2019 is excluding discontinued business units

Balance sheet – *consolidated group accounts*

Assets

Assets *(SEKm)*	2018A	2019A	2020A	2021 YTD Q3
Non-current assets				
Goodwill	603.7	603.7	603.7	665.9
Customer relations	19.6	12.2	4.9	0.0
Capitalized expenses	1.2	1.3	0.7	0.5
Total intangible assets	**624.4**	**617.2**	**609.3**	**666.4**
Equipment	3.8	3.1	2.4	3.9
Right of use assets	0.0	29.9	21.5	21.5
Other fixed assets	0.7	0.6	1.0	0.4
Total fixed assets	**4.5**	**33.6**	**24.9**	**25.8**
Total financial assets	7.5	19.1	8.7	8.9
Total Non-current assets	**636.4**	**669.9**	**642.8**	**701.1**
Current assets				
Accounts receivables	117.1	108.2	101.7	125.3
Tax receivables	7.4	7.9	7.5	49.6
Prepaid expenses & accrued income	12.3	10.0	3.5	86.7
Other current receivables	-5.1	-4.8	-3.4	11.3
Cash & cash equivalents	78.0	52.5	82.8	46.7
Total current assets	**209.7**	**173.9**	**192.0**	**319.7**
Total Assets	**846.1**	**843.8**	**834.9**	**991.0**

Equity & liabilities

Equity & liabilities *(SEKm)*	2018A	2019A	2020A	2021 YTD Q3
Shareholders equtiy				
Share capital	0.8	1.4	1.4	1.4
Restricted reserves	-55.3	-54.5	-55.1	0.6
Retained profit	258.9	230.0	241.2	246.2
Currency adjustments	5.4	7.5	1.2	2.9
Total Equity	**209.7**	**184.3**	**188.6**	**251.2**
Non-current Liabilities				
Interest bearing liabilities	458.3	455.0	344.1	408.8
Long term lease liabilities (IFRS16)	0.0	21.3	11.3	11.3
Deferred tax liabilities	4.2	2.6	1.0	0.0
Total non-current Liabilities	**462.5**	**478.9**	**356.5**	**420.1**
Current liabilities				
Current interest bearing liabilities	40.9	58.3	167.3	130.4
Accounts payables	60.5	52.7	41.1	49.6
Accrued expenses and prepaid income	31.7	33.5	35.1	86.7
Tax liabilities	10.9	9.2	13.3	11.3
Other current liabilities	29.9	26.8	33.0	41.6
Total current liabilities	**173.8**	**180.6**	**289.8**	**319.7**
Total equity and liabilitites	**846.1**	**843.8**	**834.9**	**991.0**

Source: Audited financial statements and company information, 2018 and 2019 is excluding discontinued business units

Cash flow – *consolidated group accounts*

Cash flow 2018-2021YTD

Cash Flow *(SEKm)*	2018A	2019A	2020A	2021 YTD Q3
Adjusted EBITDA	**68.8**	**58.8**	**86.6**	**100.8**
IFRS 16 effect	-25.0	-33.4	-16.8	-13.5
Adjusted Cash EBITDA	**43.8**	**25.4**	**69.8**	**87.4**
Non recurring items	-5.4	-5.5	-3.1	-2.2
Discontinued business	-0.9	-3.0	0.0	0.0
Net working capital	12.4	3.0	7.7	-12.0
Paid taxed	-8.9	-7.7	-3.5	-4.3
Cashflow from operations	**40.9**	**12.2**	**71.0**	**68.9**
Capex tangible and intangible assets	-4.8	-2.1	-2.3	-1.7
Change in fin. fixed assets (deposits)	0.4	-0.1	1.1	0.0
Investments in shares/business comb.	-20.0	0.0	0.0	-50.4
Cashflow from financing activities	**-24.4**	**-2.2**	**-1.3**	**-52.0**
Financial expenses paid	-3.2	-2.4	-2.0	-0.9
New borrowings (net of arrangement fees)	0.0	0.0	0.0	40.0
Change overdraft	8.9	2.9	-11.8	0.0
Repayment Facilities	-32.0	-32.0	-24.0	-42.0
Cashflow from financing activities	**-26.3**	**-31.5**	**-37.8**	**-2.9**
FX effects in cash	1.9	-4.0	-1.7	-1.4
Net cashflow	**-7.9**	**-25.4**	**30.3**	**12.5**
Cash BoP	85.9	77.9	52.5	82.8
Cash EoP	**77.9**	**52.5**	**82.8**	**95.3**

Comments

- The cash flow statement represents consolidated group figures where SplayOne is included from 1. April 2021
- The reduction in IFRS impact is mainly due to the reduced rental costs for the group
- For 2018 and 2019 the cash flow effect from closed down business units has been included
- The acquisition of SplayOne is included under investments and is partly financed by a Ventor Note of 40m with a PIK interest of 3.75%
- Repayment of facilities is primarily related to the repayment of bank loans to Swedbank. Caybon has further cancelled the overdraft facility

Source: Audited financial statements and company information

The art of mastering marketing

mediaplanet

N365

SPLAY ONE

Caybon.

Newsner

appelberg

I — Sales

Sales staff and project leaders are actively contacting clients to generate new sales and projects through various channels

II — Content production

Strong in-house competence for content production with several award winning productions. Caybon is using proprietary data and know-how in content production

At Caybon the clients can rely on ~20 years of media marketing expertise

III — Distribution

Strong distribution capabilities through both digital and analogue platforms with significant distribution strategy and traffic optimisation expertise from 20 years of heritage and data

IV — Connect

Maximise value of campaigns by ensuring that the right end-user gets exposed to the right content – driving consumer awareness, engagement and best-in-class conversion

Proprietary data insights used throughout the organisation

ESG questionnaire

General

Q1: the industry's three biggest sustainability-related challenges:

- Sustainable content (eg. mental health issues related to certain social media content, or polarization/democracy issues related to certain content and algorithms)
- Promote diversity & equality
- Sustainable work-environment

Q2: Performance vs industry peers

Caybon consider itself to be on par with industry peers regarding sustainability initiatives

Q3: Is the company a UN Global Compact Signertory (or similar)

Not as of today

S Social

Q11: History of accidents & preventive measures:

No previous accidents, Caybon has a comprehensive work environment policy and a code of conduct policy

Q12: community engagement activities (not directly connected to the business):

Not as of today

Q13: Circular economy, purchases and waste - demand on suppliers:

Waste is handled locally at each office according to the applicable local policies for the region. Suppliers are handled through the supplier code of conduct (not containing any circular economy topics today)

Q14 Codes of conduct to firms suppliers:

The group has a supplier code of conduct, no audits are conducted at present

E Environment

Q4: Climate-related opportunities:

Reduce climate impact via emissions. For example:

- Reduce traveling and physical meetings
- Seek more environmental-friendly alternatives when it comes to heating and cooling of the offices. i.e. demand/affect landlord to use eco-friendly and renewable energy sources
- Recycling & Waste – partner up with suppliers with documented routines

Q5: Primary risks related to climate change:

No risks that are specific to Caybon. Caybon is exposed to the same risks as the industry in general

Q6: Climate-related investments:

No materiality investments are planned in the near future

Q7: Dependence on scarce resource:

No, Caybon is mainly relying on human capital, data insights and distribution through digital media sites

Q8: Transition-related risks for a carbon-neutral society:

There are no risks that the firm's offering will be negatively effected of

Q9: Firms primary means of making a positive environmental impact or minimising negative environmental impact:

- Reduce traveling/physical meetings
- Eco-friendly alternatives when it comes to office heating and cooling – demand/affect landlord to use eco-friendly and renewable energy sources
- Recycling and Waste – partner up with suppliers with documented routines

Q10: Corresponding most relevant UN Sustainable Development Goals:

Not applicable as of today

G Governance

Q15: Staff members education on anti-corruption:

All staff are required to sign off o reading the Group's anti-corruption & business integrity policy in connection with onboarding

Q16: External whistle-blower function:

External whistle-blower function exists

Q17: Incidents involving corruption, cartels or any other unethical business:

No ongoing or history of such incidents

Q18: Preventive measures:

There has been no need for preventive measures

Q19: Firm's business tax residence:

Sweden. Group is formed in Sweden, the parent company and ultimate shareholders are Swedish

Q20: Independent members on the Board of Directors:

There are independent members on the Board of Directors

Q21: Transactions with related parties:

None

Q22: Remuneration:

The remuneration of the CEO and other members of the management team is in line with industry peers

Q23: KPIs dictating renumeration:

Remuneration is determined based on market level remuneration and business performance

Q24: Gender equality:

Board: 1/3 women, Group management: 2/8 women, Company heads and managers: 50%

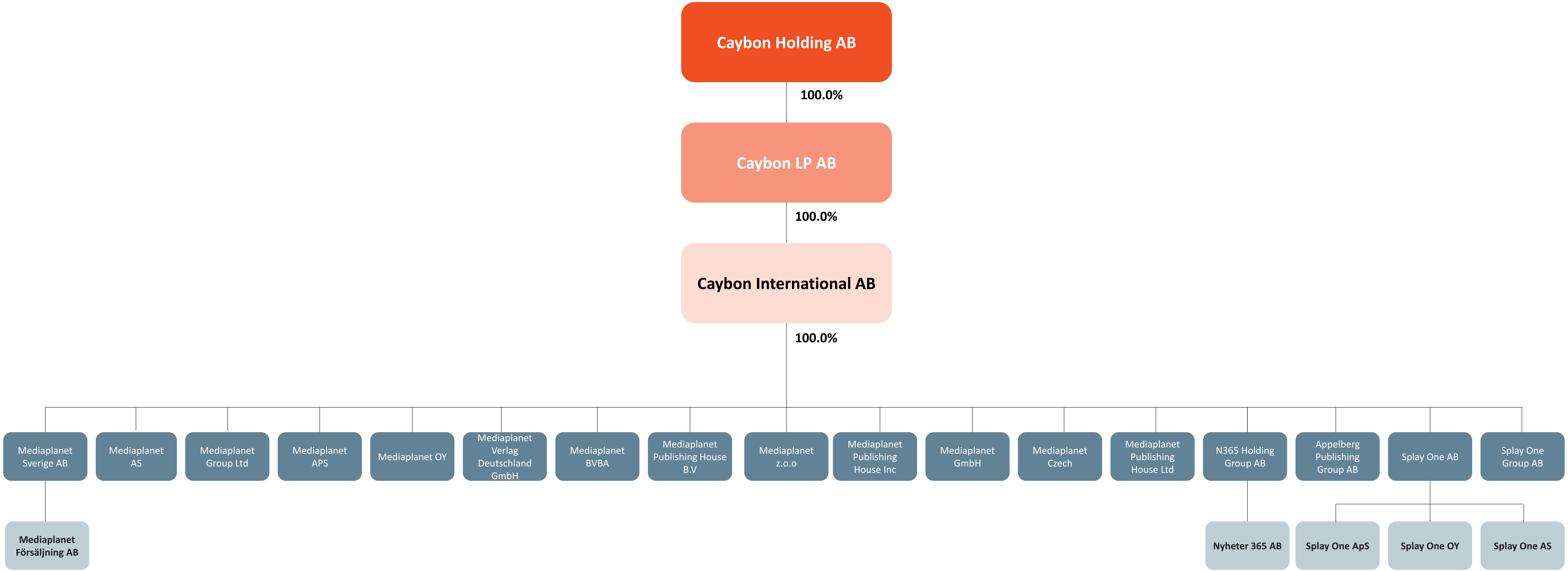
Q25: Head of Sustainability

The CFO holds the role as head of sustainability and is reporting to the CEO

Q26: Policies/agreements and agreements place:

Union agreement	*Code of conduct*	*Diversity policy*	*Anti-corruption policy*
1 of 25 legal entitites	Yes	Yes	Yes

Company structure



Risk factors 1/10

Introduction

*Risk factors deemed to be of importance for Caybon Holding AB, reg. no. 559049-5056 (the "**Issuer**"), and its direct and in-direct subsidiaries (together with the Issuer the "**Group**" and each a "**Group Company**"), the Group's business and future development and risks relating to the Issuer's senior unsecured floating rate callable bond issue with ISIN SE0017084478 (the "**Bonds**") are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the term sheet dated 15 November 2021 setting out the terms for the Bonds (the "**Term Sheet**") or in the final terms and conditions of the Bonds to be entered into by the Issuer and the Agent (the "**Terms and Conditions**") (as applicable). The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "RISKS RELATING TO THE GROUP", are categorised as risk factors pertaining to the Group. Each risk factor is disclosed by rating the relevant risk as low, medium or high in terms of the probability of the risk's occurrence as well as the expected magnitude of its adverse impact. The assessment of the materiality and probability for each risk factor has been made by the Issuer.*

PLEASE NOTE THAT ONLY A LIMITED LEGAL DUE DILIGENCE HAS BEEN CARRIED OUT BY WAY OF A MANAGEMENT INTERVIEW. NO DOCUMENTARY DUE DILIGENCE HAS BEEN CONDUCTED. NO FINANCIAL, INSURANCE OR TAX DUE DILIGENCE HAS BEEN CONDUCTED. THUS, THERE MAY BE RISKS RELATING TO THE GROUP AND ITS BUSINESS WHICH HAVE NOT BEEN UNCOVERED IN THE LIMITED LEGAL DUE DILIGENCE AND WHICH ARE CONSEQUENTLY NOT DISCLOSED IN THIS DOCUMENT.

Risks relating to the Group

Risks related to the Issuer's business activities and industry

Low level risk

Overall demand for advertising

The Group’s business highly depends on the overall demand for advertising and on the economic success of the Group’s current and potential publishers and advertisers. If advertisers reduce the amount of their advertising spend, this could have an adverse effect on the Group’s revenue and earnings for that fiscal year. Economic downturns or instability in political or market conditions may cause advertisers to reduce their advertising budgets.

Low level risk

Seasonality of advertising spending

The Group’s results of operations and cash flows vary from quarter to quarter as well as within the quarter due to the seasonal nature of advertising spending. In the business area Mediaplanet, most campaigns are run with the last month in the quarter as deadline, which means that most of the revenues arise in March, June, September and December. The Group's other business areas have limited seasonality, other than the third quarter, which is generally the weakest across all business areas due to holiday periods and fewer working days. This may affect the Group’s earnings, cash flows and cash requirements. Seasonal fluctuations could become more pronounced in the future. In addition, advertising expenditure can be volatile and irregular. As a result, in times of lower advertising expenditure than expected, the Group’s revenues may be adversely affected. Similarly, in times of higher expenditure and an immediate increase in traffic, the Group’s platform must be able to support significant increases in the number of publishers and advertisers generating traffic, and support different advertising formats while maintaining a stable and efficient infrastructure and reliable service to customers. Ensuring such flexibility and stability requires significant investment in both organisation and technology, which increases the Group's cost base.

Low level risk

Dependency on printed products and a changing media landscape

Approximately 30 per cent. of the Group's revenue is attributable to printed products. This market has undergone a transformation in recent years. The number of copies sold per issue is generally decreasing while the time spent has increased. Although the Group is continuously increasing the share of advertising in digital media, there is a certain dependency on printed products in the business area Mediaplanet. Digital advertising currently accounts for approximately three quarters of the revenues of the Group. However, in Mediaplanet, which represents the largest business area of the Group, 42 per cent. (48 per cent.) of revenues are generated from printed media as per Q3 2021. If printed media declines in all markets simultaneously, it may be difficult to expand digital solutions fast enough to compensate.

Due to a competitive and rapidly changing market, there are very high demands on the Group's adaptability, judgement and investment choices. The Group must constantly adapt to the market needs and continue to invest in order to maintain its competitive advantage and to grow.

Low level risk

Risk factors 2/10

Dependency on core clients

Certain Group Companies have a high concentration of clients and are therefore reliant on core clients. For nyheter365 AB, approximately 55 per cent. of the operating revenues in the first three quarters of 2021 were attributable to the five (5) largest clients, representing approximately 16 per cent. of Group revenues for the same period. Should nyheter365 AB be unsuccessful in competition with other content agencies, recruitment of employees with a sufficient skillset or execution of its offering in order to meet customer requirements and specifications, nyheter365 AB may lose one or more of its key customers. Due to a significant amount of sales being concentrated to a limited number of key customers, the loss of any one of the largest customers may in itself result in a significant decrease of nyheter365 AB's revenues, as well as a loss of new business opportunities with that customer. Moreover, the failure to meet the demands of key customers may damage nyheter365 AB's professional reputation and reduce nyheter365 AB’s attractiveness as a business partner among other existing or potential customers.

Trends currently prevailing in the industries of nyheter365 AB's key customers could slow down or accelerate, or new trends could emerge and create a demand for entirely different set of products and services. This would require further tailoring of nyheter365 AB's service offering to meet new customer needs, as well as recruitment of personnel with the required competences to meet the altered demands by customers, which may in turn result in increased costs and reduce profitability. This creates additional challenges for nyheter365 AB to design its services to create lasting and recurring revenue streams resilient to sudden reversals or changes.

Should any of the above factors materialize, this could have a material adverse effect on the Group’s business, earnings and profitability.

Medium level risk

The Group risks losing an important distribution channel

In addition to its own distribution channels such and sites set up for clients within the business areas of Mediaplanet and Splay One, the Group uses a relatively large number of external distribution channels. Given the advertising revenues from external distribution channels, the Group is to some extent dependent on continued good relations with such external distribution channels. There is a risk that any of these distribution channels, such as Facebook or Youtube, terminates the collaboration or materially changes the terms of the distribution agreement. This could temporarily or permanently change the earnings capacity of the Group.

The Group actively works to ensure that it has an optimised distribution mix at all times. There is a risk that the Group fails to ensure that customers are directed to the right type of distribution channel and that the Group thereby incurs higher distribution costs or lost revenues.

There is also a risk that the external distribution channels with which the Group cooperates may try to negotiate higher commissions which would make the Group's distribution more expensive. Any disruptions in the relationships with the Group's external distribution channels could have a material adverse effect on the Group's business, earnings and financial condition.

Medium level risk

Dependency on key personnel

The Group is dependent on the knowledge, experience and commitment of the directors, management and other key individuals, in particular Richard Båge, being the founder and CEO of the Issuer. In addition, there may be other key individuals in the Group with strong client relationships or key content or consumer engagement skills. If key individuals leave the Group, this could have an adverse effect on the business. Furthermore, the recruitment of employees who can be successfully integrated into the organization is of major importance for the Issuer's future development. There is a risk that the Group will not be successful in recruiting or retaining talented individuals necessary to operate and develop the business, which could have an adverse effect on the Group's business, results of operations and financial condition.

Medium level risk

Risks related to future acquisitions

The Group plans to continue developing its business primarily by means of organic growth combined with acquisitions and the Group has also made such acquisitions in the past. There is a risk that there are unidentified risks in recently acquired companies which are unknown to the Group and that such unidentified risks will have an adverse effect on the Group's business, earnings or financial position.

The success of the Group’s acquisition strategy depends on several factors, such as the Group’s ability to identify suitable businesses to acquire, enter into agreements on acceptable acquisition terms, and finance acquisitions. It is also possible that the future acquisitions carried out by the Group will not be made on favourable terms. Furthermore, it is possible that in the future, there will not be a sufficient number of attractive acquisition candidates available for the Group, or that the Group will not secure the requisite financing.

Risk factors 3/10

Acquisition activities may present certain financial, managerial and operational risks, including diversion of management's attention from existing core business, difficulties when integrating or separating businesses from existing operations and challenges presented by acquisitions which may not achieve sales levels and profitability that justify the investments made. The Group's organisational structure is largely decentralised and newly acquired businesses are only integrated to a limited extent, but if such limited integration is not successful, the Group's business, financial condition and results of operations may be adversely affected. Future acquisitions could also result in dilutive issuances of the Group's equity securities, the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which could harm the Group's earnings and financial position.

Low level risk

Risks of managing an influencer network

The online video and Youtube influencer business, being one of the Group's business areas through Splay One (i.e. production of video content for online platforms) is a relatively young business segment, with high levels of dependence on the major platform operators (e.g. YouTube) and on creators who produce content in return for a share in revenue. In this business segment, there is substantial competition, amongst others from major influencer networks and media houses.

Online platforms and online platform operators have major influence on the business model and profitability (achievable advertising revenue, production requirements (costs) and algorithms for prioritising content) and a strong negotiating position. Due to the strong interconnectedness of the influencers, Splay One is dependent on a good relationship with the influencers that Splay One works with. If a dispute were to arise with one influencer, this influencer could also prevent other influencers from working with Splay One in the future.

The risks with regards to competition lie mainly in the area of pricing and margin levels. Alongside the economic risks, there are also legal risks, e.g. violations of the provisions regarding misleading advertising on the Internet (i.e. product placement without sufficient identification), or new laws and any upload filters to be introduced. These risks can have a material impact on the business volume of the B2B companies within the Group and therefore also negatively affect the business activities and the earnings and financial position of the Group.

Medium level risk

Leading global technology companies may undermine the Group's revenue model

Certain Group Companies, such as nyheter365 AB and Splay One AB, are highly reliant on Facebook, Youtube and other leading global technology companies as distribution platforms and traffic sources. Such platforms may change their algorithms from time to time, as has happened on previous occasions, and limit content distribution reach.

This may have an adverse impact on the Group's content/ad reach and/or the engagement with its content. Consequently, leading global technology companies have the power to undermine the revenue model of the Group.

If the set up or business conditions were to change, there is a risk that Newsner, nyheter365 AB or Splay One AB would not be able to reach its target audiences as effectively as before, which could adversely affect the Group's business, results of operations and financial condition.

In addition, Splay One AB has a form of management agreement (Multi Channel Network Agreement, "**MCN Agreement**") with Youtube which gives them the exclusive right to manage the channels connected to their online influencer network, enabling Splay One to manage the advertising sales for these channels. Currently Splay One manages just under 500 influencer Youtube channels in the Nordic region. While the Group believes this agreement to be mutually beneficial, should Youtube choose to terminate this agreement, this could adversely affect the Group's business, earnings and financial position.

Low level risk

IT systems and Third Party systems and internet availability

The core of the Group's daily operations is partly its IT systems, as well as third party systems. The Group uses both in-house and off the shelf IT systems and data center services throughout its business operations, and relies on functioning IT systems, hardware and networks to provide its services. In addition, the implementation of business activities is essentially based on stable data availability, fast transmission of data and a technically stable Internet connection, well-functioning hardware and cloud infrastructure and that third party distribution platforms are functioning (e.g. Facebook and other media platforms). The functionality of the servers used by the Group and the associated hardware, cloud and software infrastructure is of importance for business activities and their availability to customers. Errors and weaknesses in existing hardware, software and cloud infrastructure or failure of third-party platforms cannot be excluded. The business activities of the Group may also be impaired by breakdowns or disruptions to IT systems and networks as a result of hardware destruction, system crashes, software problems, virus attacks, intrusion of unauthorised persons or similar malfunctions. This can cause considerable costs or delays in business activities. The Group may not be able to guarantee its services due to the lack of reliability, security and availability of its IT infrastructure and the general availability of internet. The materialisation of each of these risks would adversely affect the revenues, profitability and financial position and results of operations of the Group.

Risk factors 4/10

The Group depends on the services of internet carriers, data centres and cloud providers. The possible disruption of these services could lead to the services offered by the Group no longer being available to the Group's customers. Even if the Group is not responsible for these failures, the result could be damage to the Group. This could negatively affect the net assets, financial position and results of operations of the Group.

Low level risk

Risks related to the Group's own CRM system

Mediaplanet has developed its own customer relationship management solution ("**CRM system**") in which all billing data is generated. Mediaplanet currently has only one developer working on the CRM system. In the event that Mediaplanet fails to retain the developer or fails to recruit a suitable replacement for the developer in the future, this could pose a risk to the maintenance and stability of the CRM system and, by extension, on the Group's operations.

While migrating to a standardised CRM system is possible and a viable option, such migration can be time-consuming and costly. This poses a risk with regards to financial reporting and invoicing data generated in the CRM system. If the CRM system were to fail, this could lead to difficulties in invoicing customers, which would have a short-term negative impact on the Group's earnings and financial position.

Medium level risk

New laws and regulations

Changes in the regulatory environment for digital marketing could affect the profitability of the industry. The Group processes and stores various types of information and data, and processes for example personal data related to its users, which requires the Group to comply with the General Data Protection Regulation (EU) 2016/679 ("**GDPR**"). The Group processes data about users who visit the Group's websites, sometimes using cookies and the like ("**Cookies**") which are used for analytical and statistical purposes. The Group must ensure that the use of Cookies is compliant with applicable regulatory requirements, which includes obtaining consent for non-essential Cookies in accordance with Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector ("**e-Privacy Directive**"), which has been implemented in Swedish law by the Electronic Communications Act (2003:389) ("**ECA**").

Data collected via Cookies can sometimes include personal data, meaning that non-compliance with the consent requirement under the ECA may lead to sanctions under the GDPR. Legal developments in ePrivacy are constantly evolving and the guidance that exists on the issue of consent is neither clear, sufficient nor fully consistent at EU and national level. The issue of e-privacy may also be subject to stricter regulation, which may have a material adverse effect on the Issuer's business, financial position and earnings.

It may also turn out that the Group is not considered to obtain consent properly or for all non-essential Cookies that require consent. A breach of the consent requirement may lead to claims for damages from affected persons or penalties in accordance with the GDPR.

Low level risk

Compliance with ESG policies

There is an increasing focus on ESG (Environmental, Social and Governance) issues, and the prevalence of ESG-based policies has increased significantly in recent years. Organisations providing ESG information have developed rating processes to evaluate companies' approach to ESG issues. Such ratings are used by some companies in their business decisions. If the Group fails to comply with its own or its clients' ESG policies, or receives an unfavourable ESG rating, clients may choose to engage other companies to provide marketing services, which could have a material adverse effect on the Group's business, earnings and financial position.

Risks related to the Issuer's financial situation

Medium level risk

The Issuer may be dependent on external financing to finance acquired growth

In addition to organic growth, the Issuer's strategy has also involved growth by way of acquiring a company's shares or its assets. In the future, the Issuer may acquire companies to supplement the Group's current product portfolio or to gain access to new markets and increase the Subsidiaries' sales to certain customer categories and geographical markets. There is a risk that the Issuer will not be able to fund such acquisitions with internally generated profits and will be unable to obtain suitable financing on acceptable terms in order to finance growth through acquisitions. If this risk were to materialise, this could have a material adverse effect on the Issuer's growth prospects, financial position and earnings.

Low level risk

Risk factors 5/10

Refinancing risks

Refinancing risk refers to the risk of not being able to obtain financing or only obtaining financing on terms that are disadvantageous for the Issuer. The Issuer finances its business primarily through a combination of borrowings from credit institutions, other liabilities as well as shareholder's equity. As per 30 September 2021, the Issuer's interest-bearing gross debt amounted to approximately SEK 516,000,000.

There is a risk that the Issuer, and/or any of the Subsidiaries, will be required to refinance some or all of its outstanding debt, including the Bonds, in order to be able to continue the operations of the Group. The Group's ability to successfully refinance its debt depends on, among other things, conditions of debt capital markets and its financial condition at such time. Even if debt capital markets are open, there is a risk that the Group will not have access to financing on favourable terms, or at all. Should the Group be unable to refinance its current or future debt obligations on favourable terms, or at all, it would have a significant negative effect on the Group's business, financial position and on the bondholders' recovery under the Bonds.

Medium level risk

Risks related to currency

The Group operates through subsidiaries around the world and is thereby subject to currency fluctuation risks in eight different currencies. These fluctuations affect the Group's earnings in terms of translation of income statements and balance sheets in foreign subsidiaries, namely translation exposure, as to a limited extent sale of services on the export market , namely transaction exposure. The Group is exposed to currency fluctuation risks related primarily to earnings in EUR (17 per cent of revenues), USD (9 per cent of revenues) and GBP (12 per cent of revenues). If the Group does not manage to adequately reduce the effects of exchange rate fluctuations, this may have a material adverse effect on the Group's net sales, earnings and financial position.

Risks relating to the Bonds

Risks relating to the nature of the Bonds

Medium level risk

Credit risks relating to the Bonds and ability to service debt under the Bonds

Investors in the Bonds assume a credit risk towards the Issuer and indirectly the Group. An investor's prospects of receiving payment under the Bonds is therefore dependent upon the Issuer'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 credit risk and the Group's financial position is affected by several factors of which some have been mentioned in the above category "Risks relating to the Group". One such aspect of credit risk is that there is a risk that a deteriorating financial position of the Group will force the Issuer to refinance the Bonds instead of redeeming them with cash generated by the Group, as described under Section "Refinancing risks" above. The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all. In case of a deteriorating financial position of the Group, this will reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Bonds. Should any of the above risks materialise, this would have a significant negative effect on the Group's operations, earnings, results and financial position.

Furthermore, there is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' market value negatively. If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds. There is also a risk that a deteriorating financial position of the Group will reduce the Issuer's possibility to receive debt financing at the time of the maturity of the Bonds.

Medium level risk

Interest rate risks in relation to the Bonds

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest rate. The market interest may be subject to significant fluctuations from time to time. Investments in Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates or interest rate expectations. The Bonds bear interest at a floating rate of three-month STIBOR plus a margin and a STIBOR floor at 0.00 per cent. will apply. The interest rate of the Bonds is determined two business days prior to the first day of each respective interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is therefore outside the Issuer's control.

Medium level risk

Risk factors 6/10

Risks related to early redemption and partial repayment of the Bonds

Under the Term Sheet, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final maturity date. If the Bonds are redeemed before the final maturity date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Term Sheet. However, there is a risk that the market value of the Bonds is higher than the early redemption amount (including the premium) 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.

In addition, a partial repayment of the Bonds may affect the liquidity of the Bonds and may have a negative impact on the market value of the Bonds which would result in bondholders' difficulties to sell the Bonds, at all or at reasonable terms.

Medium level risk

Risks relating to the transaction security

Although the Issuer's obligations towards the Investors under the Bonds will be secured by (i) first priority pledges over the shares in certain material group companies (the "**Material Group Companies**") and (ii) a first priority assignment over certain material intercompany loans, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the Investors.

According to the Term Sheet the Issuer may issue subsequent Bonds and such bondholders will become bondholders entitled to share the security granted to the existing bondholders. There is a risk that the issue of subsequent Bonds will have a negative effect on the value of the security granted to the bondholders.

The bondholders will be represented by Nordic Trustee & Agency AB (publ) as security agent (the "**Security Agent**") in all matters relating to the transaction security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security.

The Security Agent is entitled to enter into agreements with Group Companies or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among other things, the bondholders' rights to the security.

As the obligations of the Issuer are secured by a number of instruments across various countries, in the event of bankruptcy or other similar event, multi-jurisdictional legal proceedings may be instituted against the Group companies as providers of the security. Such multi-jurisdictional proceedings can be complicated and costly for creditors and can result in greater uncertainty and delays regarding the enforcement of rights under the relevant security documents.

Medium level risk

Risks relating to enforcement of the transaction security

If a Material Group Company, which shares will be pledged in favour of the bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because all of such Material Group Company's obligations must first be satisfied, potentially leaving little or no remaining assets in such Material Group Company for the bondholders. As a result, the bondholders may not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time.

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

Medium level risk

Risks related to the guarantees

Although the Group's obligations towards the bondholders under the Bonds are guaranteed to a limited extent, there is risk that any enforcement of claims under the guarantees would be insufficient to satisfy all amounts owed to the bondholders at the time of enforcement. Furthermore, guarantors are not restricted from granting any additional guarantees. If the guarantors were to guarantee any other obligations, there is a risk that guarantees granted towards the current bondholders would be impaired.

Any guarantees of the Issuer's obligations under the Bonds from the Issuer's subsidiaries are limited by relevant financial assistance rules and corporate benefit principles.

Risk factors 7/10

If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds. There is a risk that the guarantees granted in respect of the Bonds will be insufficient in respect of any of the Issuer's obligations under the Bonds in the event the Issuer becomes insolvent.

The payment obligations of the Issuer under the Bonds will be structurally subordinated to payment obligations owed to creditors of the subsidiaries of the Issuer and the subsidiaries of such subsidiaries. The Guarantors will unconditionally and irrevocably guarantee the payment obligations of the Issuer under the Bonds. The Bonds will accordingly have the benefit of a direct claim on the Guarantors but not on all members of the Group. The benefit of the Guarantees may also be limited by the provisions of the Intercreditor Agreement (as defined below) (if any) and general English law, Norwegian law, Swedish law and US law provisions.

There is a risk that guarantees granted under the Bonds could be unenforceable or that enforcement of the claims under the guarantees could be delayed according to English law, Norwegian law, Swedish law and US law or any other applicable laws. Should claims be unenforceable, delayed or subject to a certain degree of uncertainty, there is a risk that this would have a significant negative effect on the likelihood of the bondholders receiving the amounts owed to them under the Bonds.

Medium level risk

Risks related to the intercreditor arrangement

The Issuer may incur additional debt under a super senior revolving credit facility (the "**Super Senior RCF**"), which will, in accordance with the terms of the Intercreditor Agreement (as defined below) (if any), rank senior to the Bonds. Further, the Issuer may incur additional financial indebtedness which will rank at least pari passu with the Bonds. The relation between certain of the Issuer's creditors (jointly the "**Secured Creditors**") and the Security Agent will be governed by an intercreditor agreement (the "**Intercreditor Agreement**"). Although the obligations under the Bonds and certain other obligations of the Group towards the bondholders and the Secured Creditors will be secured by first priority security, there is a risk that the proceeds of any enforcement sale of the security assets will not be sufficient to satisfy all amounts then owed to the Secured Creditors. Furthermore, if the Issuer issues subsequent Bonds, the security position of the current bondholders may be impaired.

The Security Agent will in accordance with the Intercreditor Agreement in some cases take instructions from a super senior representative under the Super Senior RCF. There is a risk that the Security Agent and/or a super senior representative under the Super Senior RCF will act in a manner or give instructions not preferable to the bondholders. In addition, the Security Agent will in some cases take instructions from a senior representative, being those senior creditors whose senior debt at that time aggregate to more than 50 per cent. of the total senior debt. If the outstanding senior debt towards other senior creditors than the bondholders exceed the obligations under the Bonds, the bondholders will therefore not be in a position to control the enforcement procedure.

If the outstanding obligations of the Group towards other Secured Creditors than the bondholders increase, there is a risk that the security position of the bondholders is impaired. Furthermore, there is a risk that the security will not at all times cover the outstanding claims of the Secured Creditors.

The Intercreditor Agreement will also contain provisions regarding the application of proceeds from an enforcement of security where any agent will receive payments first, secondly any creditor under any super senior debt, thirdly any creditor *pro rata* under any senior debt (including the bondholders) and lastly any creditor under any shareholder, intercompany and subordinated debt. There is a risk that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above.

Medium level risk

Corporate benefit limitations in providing security or guarantees to the bondholders

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

Medium level risk

Risks relating to security over assets granted to third parties

Subject to certain limitations from time to time, the Group has and may incur additional financial indebtedness and provide additional security and guarantees for such indebtedness. If security is granted in favour of third-party debt providers, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third-party debt providers. In addition, if any such third-party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and financial position, and ultimately the rights of the bondholders to receive payments under the Bonds.

Low level risk

Risk factors 8/10

Currency risks

The Bonds will be denominated and payable in SEK. If bondholders in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of SEK relative to the currency by reference to which investors measure the return on their investments. This could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal.

Low level risk

Benchmark Regulation

Interest payable on the Bonds will be calculated by reference to STIBOR. The process for determining STIBOR and other interest-rate benchmarks is subject to an on-going reform process that has already resulted in a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect to date is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The Benchmark Regulation sets requirements for how certain benchmarks are determined and may thereby have an impact on how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks (including so called "critical benchmarks" such as STIBOR), or that some benchmarks cease to be provided. If this would happen in respect of STIBOR, being the benchmark that is used for the Bonds, it could potentially have negative effects for the bondholders.

Low level risk

Majority owner risk

The Group is currently indirectly controlled by two majority investors (a) Priveq Investment V (A) AB, Priveq Investment V (B) “Priveq” who, directly or indirectly control 58,0 per cent. of the shares in the Issuer and (b) Richard Båge who, directly or indirectly control 23,5 per cent. of the shares in the Issuer (the "Main Shareholders").

The Main Shareholders can therefore exercise a level of control over the Group, including the ability to amend articles and issue shares, and can ultimately change the board of directors at the top of the corporate structure and therefore indirectly change the boards throughout the Group. The Main Shareholders' interests may conflict with the bondholders', particularly if the Group encounters difficulties or is unable to pay its debts as they fall due.

As usually encountered in such corporate structures, the majority shareholder may amend the articles of association or issue securities in the Group Companies and generally exercise control over them. Furthermore, the majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group (subject to applicable law). If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position.

Following a divestment by the current majority shareholders, the bondholders have a right of prepayment of the Bonds (put option). There is thus a risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use its right of prepayment, see further under Section "Put option" below.

Low level risk

Put option

Pursuant to the Term Sheet, the Bonds are subject to prepayment at the option of each bondholder (put option) if:

a) an event or series of events occur whereby one or more persons, acting together, not being the Main Shareholders (or an affiliate of the Main Shareholders) or a Permitted Transferee (as defined in the Term Sheet), acquire control over the Issuer and where "control" means (i) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer; or

b) an event occurs whereby (i) the initial Bonds have not been admitted to listing on Nasdaq Stockholm (or another regulated market) within twelve months after the first issue date, (ii) any subsequent Bonds have not been admitted to listing on Nasdaq Stockholm (or another regulated market) within 60 calendar days after the issue date of such subsequent Bonds (unless the subsequent Bonds are issued before the date when the initial Bonds are listed in which case such subsequent Bonds shall be listed together with the initial Bonds), or (iii) in the case of a successful admission to listing, that the Bonds cease to be admitted to listing on Nasdaq Stockholm (or another regulated market) without being admitted to trading on a regulated market (however taking into account the rules and regulations of the relevant regulated market, and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

Risk factors 9/10

There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions (as defined in the Term Sheet), and thus adversely affect all bondholders and not only those that choose to exercise the put option.

Risks relating to the financial standing of the Group

Low level risk

Subsidiaries, structural subordination and insolvency of subsidiaries

All assets are owned by, and all revenues are generated in, the Issuer's subsidiaries. The subsidiaries are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers).

If the Issuer is not able to receive funds by way of dividends or value transfer from one or more subsidiary, this could have a material adverse effect on the Issuer's ability to service its payment obligations under the Bonds, which consequently would have an adverse effect on the Issuer's business, financial position, earnings and result.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries may result in the obligation of the Issuer to make payments under guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Risks related to the Bondholders' representation

Low level risk

Subsidiaries, structural subordination and insolvency of subsidiaries

All assets are owned by, and all revenues are generated in, the Issuer's subsidiaries. The subsidiaries are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers).

If the Issuer is not able to receive funds by way of dividends or value transfer from one or more subsidiary, this could have a material adverse effect on the Issuer's ability to service its payment obligations under the Bonds, which consequently would have an adverse effect on the Issuer's business, financial position, earnings and result.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries may result in the obligation of the Issuer to make payments under guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Risks related to the Bondholders' representation

Low level risk

The rights of the bondholders depend on the Agent's actions and financial standing

By subscribing for, or accepting the assignment of, any Bond, each holder of a Bond will accept the appointment of the agent (being on the first issue date Nordic Trustee & Agency AB (publ) (the "**Agent**") to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the bondholders will be subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions will be governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will have a negative effect on the enforcement of the rights of the bondholders.

The Agent may be replaced by a successor agent in accordance with the Terms and Conditions. Generally, the successor agent has the same rights and obligations as the retired agent. It may be difficult to find a successor agent with commercially acceptable terms or at all. Further, there is a risk that that the successor agent would breach its obligations under the above documents or that insolvency proceedings would be initiated against it.

There is a risk that materialisation of any of the above risks will have an adverse effect on the enforcement of the rights of the bondholders and the rights of the bondholders to receive payments under the Bonds.

Low level risk

No action against the Issuer and bondholders' representation

In accordance with the Terms and Conditions, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking unilateral actions against the Issuer or any other Group Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer or any other member of the Group and may therefore have no effective legal remedies unless and until a requisite majority of the bondholders agree to take such action.

Risk factors 10/10

However, there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer or any other member of the Group (in breach of the Terms and Conditions), which could adversely affect an acceleration of the Bonds or other actions against the Issuer or any other Group Company.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit separate written powers of attorney for legal proceedings. If the bondholders fail to submit such a power of attorney this could have a negative effect on the legal proceedings. Under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that are binding upon all bondholders. Consequently, the actions of the Agent in such matters would impact a bondholder's rights under the Terms and Conditions in a manner that could be undesirable for some bondholders.

Low level risk

Bondholders' meetings

The Terms and Conditions will include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions 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. A bondholder may, for instance, be bound by a majority's decision to accept a change of the interest rate or decision to accept a change of the final maturity date. Consequently, there is a risk that the actions of the majority in such matters will impact certain bondholders' rights in a manner that is undesirable for some of the bondholders.

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