

NOT FOR GENERAL DISTRIBUTION  
IN THE UNITED STATES

# TRESU Group

**Tresu Investment Holding A/S, CVR no. 37553727**  
**EUR 70,000,000 Senior Secured Floating Rate Bonds 2017/2022**  
**Issue Price: 100 per cent.**

This prospectus (the “**Prospectus**”) has been prepared by Tresu Investment Holding A/S, a public limited liability company incorporated under the laws of Denmark (the “**Issuer**” or “**Tresu**”, and together with its Subsidiaries (as defined herein), the “**Group**”) for official listing of EUR 70,000,000 in aggregate principal amount of its senior secured floating rate bonds due 2022 (the “**Bonds**”) and admittance to trading on Nasdaq Copenhagen A/S’s regulated market. This Prospectus has been prepared as a prospectus issued in compliance with the Directive 2003/71/EC and amendments thereto (the “**Prospectus Directive**”) and relevant implementing legislation in Denmark for the purpose of giving information with regards to the Issuer and the Bonds.

This Prospectus has been prepared on the basis that any offer of the Bonds in any member state of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”), will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Bonds. For these purposes the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Group or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement this Prospectus pursuant to Article 16 of the Prospectus Directive in relation to such offer. Neither the Group nor the Managers has or have authorized, nor does it or do they authorize, the making of any offer of the Bonds in circumstances in which an obligation arises for the Group or the Managers to publish or supplement a prospectus for such offer.

No person has been authorized by the Issuer, the Managers or any other person to give any information or to make any representation other than those contained in this Prospectus in connection with the issue or sale of the Bonds and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer, the Managers or any other person.

The distribution of this Prospectus and the offering or sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restriction. The Managers have not authorized the whole or any part of this Prospectus and make no representation or warranty and accept no responsibility or liability as the accuracy or completeness of the information contained in this Prospectus.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”), and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Managers to subscribe for or purchase, any Bonds.

**Investing in the Bonds involves a high degree of risk. See “*Risk Factors*”.**

Pursuant to the terms of the Bonds entered into prior to the Issue Date (as defined below) between the Issuer and Nordic Trustee A/S as agent on behalf of the Bondholders (the “**Bond Terms**”), the Issuer is entitled at its option to redeem all of the outstanding Bonds in full (i) at any time prior to the date that is 24 months after the issue date of the Bonds (the “**Issue Date**”) at a redemption price equal to the Make Whole Amount (as defined below), (ii) at any time from the date falling 24 months after the Issue Date until (but excluding) the first Business Day (as defined below) falling 36 months after the Issue Date at a redemption price equal to 102.50 per cent. of the nominal amount redeemed, (iii) at any time from the first Business Day falling 36 months after the Issue Date until (but excluding) the first Business Day falling 48 months after the Issue Date at a redemption price equal to 101.250 per cent. of the nominal amount redeemed, and (iv) at any time from the first Business Day falling 48 months after the Issue Date until (but excluding) the date falling five years after

the Issue Date at a redemption price equal to 100.0 per cent. of the nominal amount redeemed, in each case plus accrued but unpaid interest. The Issuer may redeem in part up to 40 per cent. of the total aggregate nominal amount of the Bonds outstanding upon an Equity Listing Event (as defined below) occurring at a price equal to 103 per cent. of the nominal amount redeemed (or, if lower, the call option amount set out above for the relevant period) plus accrued but unpaid interest on the redeemed amount. Upon the occurrence of certain events constituting a Change of Control Event, a Listing Failure and a Delisting (each as defined below), each Bondholder has the right to request that all, or some only, of its Bonds be repurchased by the Issuer at a price equal to 101 per cent. of the nominal amount thereof, plus accrued but unpaid interest. In the event of certain developments affecting taxation, the Issuer may redeem the relevant Bonds at a redemption price of 103 per cent. of the nominal amount (or, if lower, the call option amount set out above for the relevant period) plus accrued but unpaid interest. Furthermore, if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents (as defined below), the Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the nominal amount plus accrued but unpaid interest on a date determined by the Issuer. Provided that the Bonds have been and remain listed on Nasdaq Copenhagen A/S' regulated market or any other Regulated Market (as defined below), the Issuer may redeem the Bonds on one occasion per each 12-month period in a maximum cumulative amount not exceeding ten per cent. of the total aggregate amount of the Bonds outstanding from time to time annually, at a price equal to 103 per cent. of the nominal amount (or, if lower, the call option amount set out above for the relevant period) plus accrued but unpaid interest on the redeemed amount.

The Bonds are the Issuer's senior secured obligations and will rank pari passu in right of payment to all of the Issuer's existing and future senior indebtedness that is not subordinated in right of payment to the Bonds, including the obligations of the Issuer under the Super Senior Revolving Credit Facility (as defined below) and certain hedging obligations, and will be senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Bonds. The Bonds will be effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its Subsidiaries that is mandatorily preferred by law. The Bondholders will receive proceeds from any bankruptcy or other insolvency proceedings in respect of the Issuer or any Guarantor only after the lenders under the Super Senior Revolving Credit Facility and counterparties to certain hedging agreements have been repaid in full.

The Bonds are secured by (i) a first priority pledge of all the shares in each of the Issuer, Tresu A/S (a company incorporated under the laws of Denmark), Tresu Royse Inc. (a company incorporated under the laws of the State of Texas) and each Material Company (as defined below) (together with the Parent (as defined below), the "**Guarantors**"), (ii) first priority assignments by each of the Parent and the Issuer of its rights under any Structural Intra-Group Loans (as defined below), (iii) a charge over a mortgage in an amount of DKK 10,000,000 over a Tresu Concept Innovator F1 1100 and (iv) a negative pledge registered in the Danish Personal Register in respect of the Issuer and each other Guarantor incorporated in Denmark.

The Guarantors, subject to contractual limitations that reflect limitations under applicable law, jointly and severally guarantee the Bonds (the "**Guarantees**"). The Guarantees will be senior secured obligations of the Guarantors.

The Bondholders will receive proceeds from the enforcement of the above transaction security and Guarantees only after the lenders under the Super Senior Revolving Credit Facility and counterparties to certain hedging agreements have been repaid in full.

This Prospectus includes information on the terms of the Bonds and the Guarantees, including redemption and repurchase prices, covenants, events of default and transfer restrictions.

The Bonds have been issued in dematerialized book entry form and settled through VP Securities A/S.

Managers

Danske Bank and Nykredit Bank A/S

**The date of this Prospectus is 27 September 2018**

## 1. IMPORTANT INFORMATION

**Interested parties should rely only on and base their decision to invest in the Bonds solely on, the information contained in this Prospectus. None of the Issuer, the Guarantors or the Managers have authorised anyone to provide prospective investors with different information and interested parties should not rely on any such information. All data in this Prospectus is provided as at the date of this Prospectus and is subject to change without notice.**

This Prospectus does not constitute an offer to sell or an invitation to subscribe for or purchase any of the Bonds in any jurisdiction in which such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Interested parties must comply with all applicable laws in any place in which any Bond is bought, offered or sold or where this Prospectus is possessed. All necessary consents or approvals in order to purchase any Bonds must be obtained by the interested parties. Neither the Issuer nor the Managers are responsible for compliance with these legal requirements.

The Issuer has offered the Bonds, and the Guarantors are issuing the Guarantees, in reliance on (i) an exemption from registration under the Securities Act for an offer and sale of securities that does not involve a public offering and (ii) a transaction pursuant to Regulation S that is not subject to the registration requirements of the Securities Act. Any purchaser of the Bonds will be deemed to have made certain acknowledgments, representations and warranties as detailed in this section. The Bonds are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom.

The Bonds are subject to restrictions on transferability and resale, which are described in this section. By possessing this Prospectus or purchasing any Bond, you will be deemed to have represented and agreed to all of the provisions contained in this section of this Prospectus. Each interested party should be aware that it may be required to bear the financial risks of this investment for an indefinite period of time. None of the Issuer, the Guarantors or the Managers are making an offer to sell the Bonds in any jurisdiction where the offer and sale of the Bonds is prohibited. Neither the Issuer nor any Guarantor makes any representation to you that the Bonds are a legal investment for any party. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Neither the Issuer nor the Managers nor any of their respective representatives are providing any legal, business, tax or other advice in this Prospectus. Interested parties should consult with their own advisors as needed to assist in making any investment decision and to advise on whether it is legally permitted to purchase the Bonds.

Any decision to invest in the Bonds should be based solely on information contained in this Prospectus. This Prospectus contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference. Copies of certain of the documents referred to herein will be made available to prospective investors upon request to us or set forth under section 14 (*Documents on display*).

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the Issuer's knowledge, except as otherwise noted, the information contained in this Prospectus is true and accurate in all material respects and the Issuer is not aware of any other facts, the omission of which would make this Prospectus or any statement contained herein misleading in any material respect.

By purchasing the Bonds, each interested party will be deemed to have acknowledged having reviewed this Prospectus and have had an opportunity to request and have received all additional information that it needs from the Issuer. No person is authorised in connection with any offering made pursuant to this Prospectus to give any information or to make any representation not contained in this Prospectus and, if given or made, any other information or representation must not be relied upon as having been authorised by the Issuer or the Managers.

The information contained in this Prospectus is accurate as of the date hereof. The Issuer's and the Guarantors' business, financial condition or other information contained in this Prospectus may change after the date hereof. Neither the delivery of this Prospectus at any time after the date of publication nor any subsequent commitment to purchase the Bonds shall, under any circumstances, create an implication that there has been no change in the information set out in this Prospectus or in the Issuer's business since the date of this Prospectus.

The Managers, the Bond Trustee (as defined herein) and any other agents acting with respect to the Bonds accept no responsibility for and make no representation or warranty, express or implied, as to the accuracy or completeness of the information set out in this Prospectus, and nothing contained in this Prospectus is, or should be relied upon as, a promise or representation by the Managers, the Bond Trustee, or any other agents acting with respect to the Bonds as to the past

or the future. By receiving this Prospectus, you acknowledge that you have not relied on the Managers or their respective directors, affiliates, advisers and agents in connection with your investigation of the accuracy of this information or the decision whether to invest in the Bonds.

By accepting delivery of this Prospectus, you agree to the foregoing and agree not to use any information herein for any purpose other than considering an investment in the Bonds. This Prospectus may be used only for the purpose for which it was published.

The information set out in relation to sections of this Prospectus describing clearing and settlement arrangements, including section 16.6 (*Clearing and Settlement*), is subject to any change in or reinterpretation of the rules, regulations and procedures of VP Securities A/S currently in effect. The Issuer will not, nor will any of the Issuer's agents, have responsibility for the performance of the obligations of VP Securities A/S or its participants under the rules and procedures governing its operations, nor will the Issuer or the Issuer's agents have any responsibility or liability for any aspect of the records relating to, or payments made on account of, book-entry interests held through the facilities of any clearing system or for maintaining, supervising or reviewing any records relating to these book-entry interests. Investors wishing to use these clearing systems are advised to confirm the continued applicability of their rules, regulations and procedures.

Interest and/or amounts payable on the Bonds will be calculated by reference to EURIBOR. As at the date of this Prospectus, the administrator of EURIBOR is not included in European Securities and markets Authority's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the Benchmarks Regulation). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the administrator of EURIBOR is not currently required to obtain authorisation or registration.

### **1.1. Restrictions on prospective investors**

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction where the offer or sale is not permitted. Where the sale or offer is not permitted, this Prospectus may not be distributed in or into any country where such distribution would require any additional prospectus, registration or additional measures or contrary to the rules and regulations of such jurisdiction. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions.

### **1.2. U.S. Restrictions**

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale of the Bonds within the United States by a dealer may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to an exemption from registration under the Securities Act.

### **1.3. Notice to certain European investors**

### **1.4. European Economic Area**

This Prospectus has been prepared on the basis that any offer of the Bonds in any Relevant Member State which has implemented the Prospectus Directive, will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of the Bonds. For these purposes the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus may only do so in circumstances in which no obligation arises for the Group or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement the Prospectus pursuant to Article 16 of the Prospectus Directive in relation to such offer. Neither the Group nor the Managers has or have authorised, nor does it or do they authorise, the making of any offer of the Bonds in circumstances in which an obligation arises for the Group or the Managers to publish or supplement a prospectus for such offer.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – 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 Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not

qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. 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.

For the purposes of this section, the expression an “offer of the Bonds to the public” in relation to any of the Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that member state by any measure implementing the Prospectus Directive in that member state. The expression “2010 PD Amending Directive” means Directive 2010/73/EU.

### **1.5. Denmark**

The Bonds may not be offered, sold or delivered directly or indirectly in the Kingdom of Denmark by way of a public offering, and any subscription or purchase of Bonds may only be made in compliance with the Danish Act on Capital Markets, the Danish Financial Business Act and executive orders issued thereunder, including in compliance with Executive Order no. 747 of 7 June 2017 to the extent applicable.

### **1.6. Notice to other investors**

The offering may not be made to individuals domiciled in Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Bonds may be restricted by law.

### **1.7. Forward-looking statements**

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including those regarding the Group’s financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Please see section 4 (*Risk Factors*) for a description of some of the risks that may affect any forward-looking statements. The Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein, except as may be required by law.

## TABLE OF CONTENTS

1. IMPORTANT INFORMATION .....	i
2. STATEMENT OF RESPONSIBILITY.....	v
3. INDEPENDENT AUDITORS .....	1
4. RISK FACTORS.....	2
5. INFORMATION ABOUT THE ISSUER .....	21
6. BUSINESS .....	22
7. ORGANISATIONAL STRUCTURE.....	28
8. TREND INFORMATION.....	29
9. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT .....	30
10. MAJOR SHAREHOLDERS .....	32
11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES .....	33
12. MATERIAL CONTRACTS .....	45
13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF interest.....	46
14. DOCUMENTS ON DISPLAY .....	47
15. KEY INFORMATION.....	48
16. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING.....	49
17. ADMISSION TO TRADING AND DEALING ARRANGEMENTS.....	56
18. GLOSSARY .....	57
APPENDIX A - BOND TERMS .....	64
APPENDIX B - CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2018 .....	65
APPENDIX C - COMBINED INCOME STATEMENT FOR 1 JANUARY 2017 – 31 DECEMBER 2017 .....	76

## 2. STATEMENT OF RESPONSIBILITY

### 2.1. The Company's responsibility

Tresu Investment Holding A/S is responsible for this Prospectus in accordance with Danish law.

### 2.2. Statement

We hereby declare that we have taken all reasonable care to ensure that, to the best of our knowledge, the information contained in this Prospectus is in accordance with the facts and contains no omissions likely to affect its import.

Bjert, 27 September 2018

Tresu Investment Holding A/S

Board of Directors:

---

Carsten Nygaard Knudsen  
Chairman

---

Ola Harald Erics

---

Søren Dan Johansen

---

Thomas Stegeager Kvorning

---

Anders Wilhjelm

Carsten Nygaard Knudsen is the managing director of Søgaarden-Sjælsø ApS.

Ola Harald Erics is a professional board member.

Søren Dan Johansen is a partner in Altor Equity Partners A/S and in this capacity is an investment advisor to Altor.

Thomas Stegeager Kvorning is a partner in Altor Equity Partners A/S and in this capacity is an investment advisor to Altor.

Anders Wilhjelm is a professional board member.

Executive Management:

---

Søren Maarssø  
CEO

---

Heidi Thousgaard Jørgensen  
CFO

### 3. INDEPENDENT AUDITORS

The auditor of the Issuer is Deloitte Statsautoriseret Revisionspartnerselskab, Weidekampsgade 6, DK-2300 Copenhagen S, authorised by the Danish Business Authority and regulated by the Danish Act on State Authorised Public Accountants and otherwise by the law of Denmark, who conducts audits in accordance with International Standards on Auditing (ISA) and the additional requirements applicable in Denmark, and who has audited the Issuer's consolidated financial statements in accordance with such statements for the financial year ended 31 December 2017 and issued an auditor's report on such consolidated financial reports without any qualifications. The Issuer's financial statements for the financial year ended 31 December 2016 are unaudited.

The Issuer's consolidated financial statements for the financial year ended 31 December 2017 have been audited by Deloitte Statsautoriseret Revisionspartnerselskab, represented by State Authorized Public Accountant Lars Leopold Larsen, who is member of FSR Danish Auditors (The Danish Association for State Authorised Public Accountants).

The consolidated income statements of the Issuer for the year ended 31 December 2017, the consolidated balance sheets of the Issuer at 31 December 2017 and consolidated cash flow statements of the Issuer for the year ended 31 December 2017 set forth in section 11 (*Financial information concerning the issuer's assets and liabilities*) have been extracted from audited consolidated financial statements for the financial year ended 31 December 2017 of the Issuer. Except as stated in this paragraph, no other information in this Prospectus has been audited.



## 4. RISK FACTORS

*An investment in the Bonds involves a high degree of financial risk. You should carefully consider all information in this Prospectus, including the risks described below, before you decide to buy the Bonds. This section addresses both general risks associated with the industry in which the Group operates and the specific risks associated with its business. If any such risks were to materialize, the Group's business, results of operations, financial condition and/or prospects could be materially and adversely affected, resulting in a decline in the value of the Bonds and a loss of part or all of your investment. Further, this section describes certain risks relating to the Bonds which could also adversely impact the value of the Bonds.*

*The risks and uncertainties discussed below are those that the Issuer's management currently views as material, but these risks and uncertainties are not the only ones that the Issuer faces. Additional risks and uncertainties, including risks that are not known to the Issuer at present or that its management currently deems immaterial, may also arise or become material in the future, which could lead to a decline in the value of the Bonds and a loss of part or all of your investment. The following risk factors are not listed in any particular order of priority as to significance or probability.*

*References to the Issuer in the Risk Factors include, where the context requires, the Issuer and its Subsidiaries.*

### 4.1. Risks related to the industry in which the Group operates

#### **4.1.1. *The Group may encounter financial difficulties if the EU, United States or other global economies experience significant long-term economic downturn or impose trade barriers, decreasing the demand for the Group's products and negatively affecting sales***

The economic situation of the global market affects the Group's business, results and financial position. The Group's product sales are affected by declines in capital spending by its customers, which in turn is affected by the general economic developments in the countries where the Group sells its products.

Decreased demand for the Group's products could result in decreased revenue, profitability and cash flows and may impair its ability to maintain operations and fund its obligations to others or deter the Group from entering into new markets. In the event of a new or continued significant long-term economic downturn in the EU, the United States or other global economies, the Group's revenue could decline to the point that it would have to undertake restructuring activities. A long-term economic downturn that puts downward pressure on sales could also undermine credibility relative to the Group's growth targets.

Furthermore, the Group may encounter financial difficulties if major markets in the EU, North America or Asia impose any type of trade barriers in terms of changed custom duties, volume quotas, raw material limitations or any other such measures.

Any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **4.1.2. *Competition in the markets in which the Group operates is intense and could have a material adverse effect on the Group's business, financial condition and results of operations***

The Group operates in highly competitive markets throughout the world. Companies in the industry compete not only on technology, performance, time-to-delivery, innovations, quality of goods but also on environmental impact, price per package and the ability to make tailored solutions. The Group operates in the highly specialized market for flexo printing equipment to the graphic industry. The Group has a number of competitors across different product categories/technologies (especially offset printing technology), segments and geographic markets.

Industry consolidation through mergers and acquisitions could shift market positions among competitors. Such consolidation may happen without the Group being involved or not being able or willing, for regulatory, financial or other reasons, to compete for the acquisition targets.

The Group may not be able to compete successfully against existing or future competitors. To compete effectively and to attract and retain customers, the Group must successfully market and price its products competitively. To expand market share or enter into new markets, competitors may use aggressive pricing strategies and the Group may experience downward pricing pressure and loss of market share. Within this environment, the Group could also be forced to increase prices due to increases in its costs. If the Group implements significant price increases, the impact on its revenue and profit margin will depend on, among other factors, the pricing by competitors of similar products and the response by customers to higher prices. Such price increases may reduce the Group's sales.

Like the Group, its competitors constantly strive to improve their product offerings and may be able to offer, now or in the future, lower-priced products that include the same or improved product- and technological features or products, which are otherwise superior to the Group's products.

Any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

**4.1.3. *The Group's competitiveness is dependent on the Group's ability to continue to develop innovative products and technologies and maintain a competitive cost level***

The Group's products are sold in competitive markets throughout the world. The industry in which the Group operates is characterized by new technological developments that have resulted in, and will likely continue to result in, improvements in equipment functions and performance.

Competition in this segment is based on e.g. product features, efficiency, speed, reliability, durability, technology, price, customer relationships, aftermarket services and increasingly sustainability. As a result, the future success and profitability of industry participants will be dependent, in part, upon the Group's ability to improve existing services and related equipment, address the increasingly sophisticated needs of its customers and anticipate changes in technology and industry standards and respond to technological developments in a timely manner. There can be no assurance that the Group will be successful in developing new equipment and technology, as well as keeping its existing equipment up to industry standards, in a timely and cost-effective manner, which could materially adversely affect the Group's business and financial conditions.

Technological developments and improvements are key to remaining competitive in the market. If one or more of the Group's competitors are able to develop or otherwise gain exclusive access to new technologies or are able to adapt more quickly than the Group to evolving customer preferences or market trends, this could make it difficult or increasingly costly for the Group to compete effectively in the market. If the Group's products and services are not competitive, the Group may, among others, experience a decline in sales, an increase in price discounting and/or a loss of market share, all of which could adversely impact revenue and margin of the Group's operations.

Any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

**4.1.4. *The Group may conduct business with entities which are situated or registered in countries subject to economic and trade sanction regimes and its governance and compliance processes may not prevent violations of such sanctions***

To a limited extent the Group operates in countries and regions that are or have been subject to economic or trade sanctions, such as the Middle East, Russia, Cuba, Africa, North Korea and Venezuela. The Group assesses such trade relation against criteria for legal trading and endeavours to comply with relevant rules and regulations. However, sanctions regimes are subject to frequent changes, which could deprive the Group of access to or limit its involvement with, or require it to stop, limit or reconfigure its business or products in affected markets.

Sanctions laws are complex and their application to a given circumstance can often be subject to interpretation and therefore difficult to determine with certainty. Any violation of sanction regimes, could lead to severe fines, compliance costs, reputational harm and direct or indirect losses (e.g. costs associated with recalling products).

Any new sanctions, changes to the current sanctions regimes, or violations of sanctions could have a material adverse effect on the Group's business, financial condition and results of operations.

**4.1.5. *The Group is subject to risks associated with having sales in less developed and newly industrialised countries, such as anti-corruption or anti-bribery laws and regulations and enforcement of legal rights***

The Group operates globally and its activities are subject to complex regulatory frameworks in areas such as anti-corruption and anti-bribery. The Group has sales in many jurisdictions, including less developed and newly industrialised countries and intends to continue to increase its presence in such countries.

Governments in industrialised countries have increasingly introduced comprehensive legislation to combat unsound business practices, often referred to as anti-corruption or anti-bribery laws and regulations. Despite the Group's ethical standards and control and compliance procedures aimed at preventing and detecting unlawful conduct, the Group may not be able to detect all improper or unlawful conduct by its employees, suppliers or customers. This includes situations where individual employees do not comply with the Group's policies and guidelines and as a result may cause the Group to incur criminal sanctions (e.g. in the form of fines, which may be significant), compliance costs and suffer reputational damage.

The Group depends on its ability to enforce contractual and other rights and obligations, such as its intellectual property rights. In many countries, in particular in emerging markets and less developed countries, such enforcement actions may be difficult or practically impossible and, in any event, costly. There can be no assurance that the Group will be able to successfully enforce its rights in a timely manner or at all.

The occurrence of any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

## **4.2. Risks related to the Group's business**

### **4.2.1. The Group may not be able to successfully execute its strategy**

It is the strategy of the Group to be a leading player in the markets where it competes, and in this respect to maintain current markets and enter new markets, through parameters such as a constant focus on driving innovation, increased exposure of the product portfolio and optimizing the sales process.

The success of the strategy is subject to several factors, some of which are outside the Group's control (e.g. macro-economic trends, regulatory changes and initiatives taken by its competitors) whereas other factors, such as the Group's ability to maintain its market share in its existing markets, enter new markets and segments thereof, including new geographical markets, develop new products successfully, manage the supply chain successfully and identify suitable acquisition targets, depends in full or in part on the Group's ability to take the required actions at the right time and successfully execute such initiatives. Further, any acquisition or internal re-locations may present integration, financial, managerial and operational challenges. There are inherent uncertainties and risks, including factors discussed elsewhere in this section, involved in executing a complex strategy.

Any of the foregoing could have a material adverse effect on the Group's business, financial condition and results of operations.

### **4.2.2. Risk of managing future growth and expansion**

The future growth and expansion of the Group may depend on successful establishment of new production facilities and expanding production capacity, ramping up the production of existing and new production facilities, introducing new products, expanding sales and entering new markets and/or new sales channels. The ability of the Group to achieve growth will be subject to a range of factors, including:

1. competing with other companies in markets;
2. exercising effective quality control and maintaining high safety standards;
3. expanding sales network and strengthening existing relationships with customers;
4. enhancing research and development capabilities;
5. attracting, hiring, training and retaining qualified personnel;
6. controlling costs of operations;
7. prioritizing operational, financial and management controls and systems in an efficient and effective manner;
8. managing various suppliers and leveraging purchasing power.

Expansion into new geographical markets may present operational and marketing challenges that are different from those the Group currently experience in the existing markets. New geographical markets may have different competitive dynamics, customer preferences and discretionary spending patterns compared to the existing markets. Customers in new geographical markets are likely to be unfamiliar with the Group's brands and products and the Group may need to build or increase brand awareness in the relevant geographical markets by investing more in promotional activities. As a result, any product sales in new geographical markets may be more expensive to produce and distribute and may take longer to reach expected sales and profit levels than in the existing markets, which in turn could affect the Group's overall profitability.

In addition, the Group's growth and expansion plans could strain its managerial, operational and financial resources. The ability to manage future growth and expansion will depend on the Group's ability to continue to implement and improve operational, financial and management systems on a timely basis and to expand, train, motivate and manage the workforce. The Group cannot assure that its personnel, systems, procedures and controls will be adequate to support future growth and expansion. Failure to effectively manage the expansion may lead to increased costs and reduced profitability and may materially adversely affect the Group's growth prospects.

Finally, as the Group expands its operations, it may encounter regulatory, cultural and other difficulties that may also increase the costs of operations.

Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

### **4.2.3. The Group is dependent on third parties and other factors in- and outside the Group's control**

The Group's ability to maintain and grow its market share is dependent on its ability to continuously supply its products to its customers on a timely basis.

Inability to supply products in a timely manner may be caused by numerous factors, including factors fully or partially outside of the Group's control.

Delayed delivery may lead to claims for damages from customers and/or may lead to the customers switching to the Group's competitors.

The Group has production facilities in Denmark and the USA and sales subsidiaries in Germany, Italy, China and Japan. The Group's production is based on supplies from third party suppliers. For these and other reasons, the Group's operations are dependent on third parties for, among other things, supply of certain critical components and services. As such, the Group is subject to risks associated with operating a supply chain in an efficient manner, e.g. ensuring that components used in the end-products are available in sufficient quantities and qualities in a timely manner and at the right price.

There can be no assurance that the products or services provided by third parties and necessary to run the business of the Group effectively will be available to the Group in the required quantities and qualities and within the timeframe needed for the Group to meet customer demands, or that third parties will continue to provide products and services to the Group on acceptable prices and terms or at all. Agreed contractual remedies towards third party suppliers may not be enforceable by the Group or may not cover the losses incurred by the Group in the event of material disruptions in the supply chain.

While for some components and services alternative third-party suppliers are available, it could be difficult for the Group to replace these relationships on equally attractive commercial terms, or at all, and seeking alternate relationships could be time consuming and result in interruptions to the Group's business, including prolonged interruptions in the supply of the Group's products.

The Group's operations, as well as its inventory of components, could be adversely affected by extraordinary events, including fire, mechanical failure, extended or extraordinary maintenance, flood, windstorm or other severe weather conditions, work stoppages, lack of supply of raw materials, directives from government agencies, power interruptions, breakdown in IT-systems or other events outside of the Group's control.

Any prolonged interruption could reduce production capacity for prolonged periods. The measures that the Group have in place to mitigate such risks may prove to be insufficient or ineffective. The Group's recovery planning may not prevent business disruption, and reconstruction of damaged facilities could require a significant amount of time and costs. The Group has no control over its suppliers' production sites or distribution facilities. In addition, inventory of components could be damaged or lost. Although the Group carries insurance to cover losses at its production sites and interruptions in the business, such policies are subject to limitations, such as deductibles and maximum liability amounts and, therefore, may not cover all losses, including lost sales. The Group may also incur losses that are outside of the coverage of its insurance policies. In the future, the Group may not be able to continue or obtain insurance coverage at current levels, or at all, and premiums may increase significantly on the coverage that is maintained.

Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **4.2.4. Customer concentration**

Several key customers, including large liquid packaging and folding carton converters, have historically accounted for a significant proportion of capital sales. The volume of sales to these customers invariably varies from year to year as there is no fixed or exclusive supplier relationship. While customer spend on aftermarket products are more stable, spend on capital goods may vary from year to year depending on the customers' capital expenditure plans, budgets and requirements. A material reduction in spend with the Group either due to cancellation, postponement or downsize in orders could have material adverse effect on the Group's business or results of operations.

#### **4.2.5. The Group may experience fluctuations in its order intake**

The Group's quarterly and annual order intakes have fluctuated in the past for reasons, many of which are beyond its control, including in 2018, where the Group has experienced a reduced order intake, in particular in the Flexo Inline business unit. Customers, including large converters, may decide to postpone, cancel or downsize their projects at their discretion and without any compensation to Tresu as there is no fixed or exclusive supplier relationship. The lead time for pipeline conversion to order intake may also be long and involve intensive sales effort and discussion even after technical dialogue is complete and be subject to formal approval by the board or senior management of the relevant customer. Fluctuations in the Group's operating results could cause its performance to fall below the expectations of analysts and investors, and adversely affect the value of the Bonds. As the Group's business and the market in which it operates are changing, its historical operating results may not be indicative of its future operating results. Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **4.2.6. The Group is subject to risks associated with fluctuations in raw material prices**

Prices of raw material consumed by the Group and its suppliers when producing components for the Group are subject to fluctuations and an increase in the prices of raw materials may be transferred directly or indirectly to the Group's prices of components. Exposure to changes in raw material prices has historically not been hedged.

Any inability to transfer such increased costs related to fluctuations in raw material prices to the Group's customers may have a material adverse effect on the Group's business, results of operations or financial condition.

#### **4.2.7. Failure to develop and grow the Group's online sales platform**

The Group continuously works on developing new sales channels to maximize customer reach, for example online sales. The Group may not be able to successfully develop and grow its online sales platform and any material disruption or slow-down of the Group's information technology systems could disrupt the Group's ability to market, offer and sell its aftermarket products through the online sales platform, as well as the Group's ability to track, record and analyse the sales of its aftermarket products. This could result in the loss of revenue and potential damage to the Group's brands.

#### **4.2.8. Defects in the Group's products or instructions on use may give rise to product liability claims and product recalls**

Faults and defects in the Group's products, wrong or incomplete instructions of use of products or use of products in a manner not foreseen or warned against by the Group, may cause the Group to be held liable in damages, including for product liability claims which could entail substantial costs and have a material adverse effect on the Group's brands and reputation. Although the Group produces and assembles its products in accordance with internationally recognised quality standards, there can be no assurance that all of its products are free from faults and defects. Faults and defects in the Group's products may also be caused by faults and defects in components purchased from the Group's suppliers. Although suppliers may be liable towards the Group, there can be no assurance that the supplier is obliged to or can compensate the Group for the full loss incurred by it.

The occurrence of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **4.2.9. The Group is subject to risks related to being a partly project based business**

The Group's business is partly based on orders related to large projects, which entail entering into complex agreements with obligations imposed on the Group such as liability, fixed-amount liquidated damages, performance guarantees, liability for damages and risk of rejection in case of delay or quality issues. In certain instances, the Group has guaranteed completion of a project by a scheduled acceptance date or achievement of certain acceptance and performance testing levels. The failure to meet any obligations resting on the Group under any such agreement for any reason could result in costs that exceed projected profit margins.

Even where a project proceeds as scheduled, it is possible that the contracting party defaults or otherwise fails to pay amounts owed or that the contracting party cancels or changes the scope of a contract, without the Group being able to fully charge the customer any costs arising on the Group in this respect.

Any lack of performance, delay, reduction in scope, cancellation, execution difficulty, payment postponement or payment default in regard to order book projects, or disputes with customers in respect of any of the foregoing, could materially harm the Group's financial condition, results of operations and cash flows.

In addition, the Group has in the past and may also in the future experience cost overruns, including as a result of incorrect contract specifications that it is unable to pass on to the customer and due to failed project management. As a result, the Group's operating margins and liquidity could be negatively affected.

Any of the foregoing could have a materially adverse effect on the Group's financial position and operating result.

#### **4.2.10. The Group could fail to manage and protect its intellectual property rights or could violate third parties' rights**

The Group's patents, trademarks and other intellectual property rights are important assets for its business. It is the Group's policy to take out patents and register its trademarks in the main markets in which its products are sold. However, there can be no assurance that the Group's actions will be able to adequately protect its intellectual property rights in all situations. Furthermore, the risk of third parties infringing the Group's intellectual property rights may be high in certain jurisdictions as a result of limitations in judicial protection. Even if it is documented that a third party has infringed the Group's exclusive rights, it may be difficult, excessively costly or practically impossible for the Group to enforce its rights or to recoup any losses incurred. Enforcement actions may be time consuming and expensive.

The Group's commercial success depends in part on its ability to avoid infringing on patents and other intellectual property rights of third parties. Claims by third parties that the Group's products or processes infringe on their patents or

other intellectual property rights, regardless of their merit, could require the Group to incur substantial costs and losses and divert management attention to defend itself against such claims.

The risk of infringing on patents and other intellectual property rights becomes more acute going forward, given the continued increase of the technological features and components built into the printing machines.

Any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

**4.2.11. *The Group's risk management policies may not be adequate***

The Group has implemented processes with the aim of managing the general and specific risks associated with the Group's activities and operations, as well as financial reporting and financial management. The Group may not have identified all risks that it faces, and the Group's risk management policies may not be adequate to manage all identified or unidentified risks.

Any of the above or failure to implement or adhere to the policies could have a material adverse effect on the Group's business, financial condition and results of operations.

**4.2.12. *The Group's insurance policies may be insufficient to cover losses***

The Group has a customary insurance that includes property insurance, liability insurance and directors' and officers' liability insurance. Although the Group maintains insurance to the extent it considers to be adequate based on professional insurance advice, there can be circumstances in which the insurance would not cover, partially or fully, the consequences of a loss event. Further, there may be extended periods of uncertainty as to payment, or delays in receiving payment, for a loss event under the Group's insurance policies and such delay in payment could compound such losses and materially affect the Group's business, financial condition and results of operations. In addition, the Group could face claims on other liability events or incidents for which it either cannot obtain insurance or has elected not to obtain insurance (whether on account of premium costs, significant risk retention or for other reasons).

In the future, the Group may not be able to continue or obtain insurance coverage at current levels, or at all, and premiums may increase significantly on the coverage that is maintained. The occurrence of any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

**4.2.13. *Risk of failure to attract and retain key personnel***

The performance of the Group depends in part on the continued services and employment of executive management and management team, many of whom have significant senior executive and relevant industry experience and would be difficult to replace. If any member of the executive management or management team were to terminate their services or employment with the Group, it may have to incur significant costs in attracting, hiring, training and retaining replacements as competition in the industry for suitably qualified personnel managers is significant. The loss of other executive officers or key employees, the inability to recruit sufficient, qualified personnel, or the inability to replace departing employees in a timely manner may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

In addition, the Group depends on its ability to attract, hire, train and retain qualified employees. A higher turnover rate among employees would increase recruiting and training costs and could require the Group to offer higher wages, which may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

**4.2.14. *Risk of fraud or other misconduct by the employees, customers or other third parties***

The Group is exposed to potential fraud or other misconduct committed by employees, customers or other third parties, which could subject the Group to financial losses, third-party claims, regulatory investigations and/or reputational damages. Despite the internal control measures in place, the Group cannot assure that internal control policies and procedures are sufficient to prevent, or that the Group could properly manage the conduct of its employees or customers, or that the Group can otherwise fully detect or deter, all incidents of fraud, legal, tax or other regulatory non-compliance, violations of relevant laws and regulations and other misconduct. Any such conduct committed by employees, customers or other third parties could have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

**4.2.15. *Risk of failures of IT-systems and security breaches***

IT is an important part of the Group's business operations and the Group increasingly rely on IT-systems to monitor and track the production process and logistics assets, manage business data and increase efficiencies in the production and inventory management processes. The Group also uses IT to process financial information and results of operations for internal reporting purposes and to comply with legal and regulatory requirements as well as applicable tax laws and regulations. In addition, the Group depends on IT for electronic communications between the facilities, personnel,

customers and suppliers. IT-systems may be vulnerable to a variety of interruptions, including during the process of upgrading or replacing software, databases or components thereof, natural disasters, terrorist attacks, telecommunications failures, computer viruses, cyber-attacks, hackers, accounting fraud, organized unauthorized access attempts and other security issues. The IT-security initiatives and disaster recovery plans implemented by the Group to address these concerns may not be adequate.

Any significant failure of the IT-systems, including failures that prevent IT-systems from functioning as intended, could cause transaction errors, processing inefficiencies, loss of customers and sales and have a negative impact on the operations or business reputation of the Group.

In addition, if the Group is unable to prevent security breaches, the Group may suffer financial and reputational damage or penalties because of the unauthorized disclosure of confidential information belonging to it or to its customers, suppliers or employees.

The occurrence of any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **4.2.16. Credit risk**

The Group is exposed to credit risks on its receivables. The maximum credit risk is the sum of receivables recognised, and outstanding receivables are followed-up upon on a recurring basis in accordance with internal procedures. If it is uncertain whether a customer is able or willing to pay, and the receivable is deemed doubtful, the receivable is written down.

If, for any reason or at any time, a customer is not able or willing to pay the respective receivables, the business, results of operations, financial condition and/or prospects of the Group may be materially adversely affected.

#### **4.2.17. Currency risk**

As the Group operates and have sales in multiple jurisdictions, including EU, China, Japan and the USA, and no financial instruments are currently used to hedge positions in foreign currencies, the Group may be exposed to currency risk. Currently most of the customer agreements are denominated in Euro (EUR) or Danish kroner (DKK). However, there is no assurance that this will not change in the future due to for instance movement in currency exchange rates. As a large part of the Group's turnover is generated in countries outside the EU any change in the denomination of the customer agreements from EUR or DKK may increase the currency risk, which could have a material adverse effect on the Group's business, results of operations or financial condition.

In addition, should the Danish Central Bank, for any reason or at any time, ceases to maintain a fixed exchange rate for Danish kroner relative to Euro (EUR), the business, results of operations, financial condition and/or prospects of the Group may be materially adversely affected.

#### **4.2.18. Interest rate risk**

The Group's credit facilities are floating rate credits, thus exposing it to interest rate fluctuations. All financing of working capital via the Super Senior Revolving Credit Facility and investments in fixed assets are made on floating-rate terms. No financial instruments are currently used to hedge interest rate risks.

If, for any reason or at any time, the interest rate on any of the credit facilities of the Group increases significantly, the business, results of operations, financial condition and/or prospects of the Group may be materially adversely affected.

#### **4.2.19. Liquidity risk**

In order to be able to continue as a going concern, finance its operations and mitigate the effects of fluctuations in cash flows, the Group ensures that adequate cash resources (i.e. cash and cash equivalents) are readily available via the revolving credit facility agreement with Nykredit (the "**Super Senior Revolving Credit Facility Agreement**"). The Super Senior Revolving Credit Facility is a committed facility meaning that the lenders thereunder are obliged to advance loans at the borrower's request. In case of a breach of certain terms and conditions of the Super Senior Revolving Credit Facility, the Group has a right to remedy the breach without undue delay, and failing that, a lender is entitled to cancel the entire or part of its commitment. Large capital orders usually have a positive effect on cash flow as projects usually are cash flow positive due to project prepayments at various project milestones. However, some customers may require prepayment guarantees, which may neutralise the otherwise positive cash flow position.

If, for any reason or at any time, the Group cannot get access to liquidity on commercially acceptable terms and conditions or at all, the business, results of operations, financial condition and/or prospects of the Group may be materially adversely affected.

#### **4.2.20. The Group is subject to national and international regulations and faces health, safety and environmental risks**

The Group's production and other activities are subject to complicated regulations, including in areas such as product safety, labour laws, and environmental and data privacy regulation, as well as industry standards and practices. The Group incurs significant costs and expenditures to comply with the laws and regulations in the EU and in the USA where it has production facilities, including health, safety and environmental laws and regulations.

If such costs cannot be fully recouped through sales to customers, or if such laws and regulations force the Group to stop production for longer or shorter periods of time, this could have a material adverse effect on the Group's business, financial condition and results of operations.

Notwithstanding the Group's endeavours to comply with all relevant rules, regulations and standards applicable to it, there can be no assurance that the Group has complied or will comply with all relevant rules, regulations and standards. Any failure to comply with applicable rules, regulations and standards could lead to claims being raised against the Group for damages, costs, fines etc. or other sanctions or that public authorities order the Group to change its production processes. Amendments to existing or introduction of new rules, regulations and/or industry standards may lead the Group to incur substantial costs.

In case of work related accidents, the Group may face claims from current or former employees, professional labour bodies, unions or governmental agencies. Any significant accident could interrupt production and result in personal injuries, damages to properties, fatal accidents and legal and regulatory liabilities. Likewise, the Group may face claims from third parties in the event the Group causes any pollution of third party properties, ground water or the air. Such incidents may also lead to a need for initiating remedial environmental measures or to suspension or shut down of operations. While the Group has taken out insurance to cover such risks, there can be no assurance that such insurances will be sufficient to cover the costs and losses actually incurred.

The occurrence of any of the above could have a material adverse effect on the Group's business, financial condition and results of operations.

#### **4.2.21. *The Group is subject to complex Danish and foreign direct or indirect tax laws***

The Group is subject to various Danish and foreign taxes, including direct and indirect taxes, imposed on its global activities, such as corporate income tax, withholding tax, customs duty, value added tax and other taxes and the Group's effective tax rate is impacted by the composition of the Group's taxable income in the countries in which the Group has activities. Due to the complexity of international tax rules, the provisions for direct and indirect taxes in the Group accounts are subject to a certain degree of judgement, and there are many transactions and calculations where the ultimate direct and indirect tax determination is uncertain. Governmental authorities could question the Group's tax policies and judgements and seek to impose additional or increased taxes or penalties on the Group, and the final determination of tax audits and any related litigation could be materially different from the Group's historical direct and indirect tax provisions and accruals.

Local tax rules and interpretations of tax rules in different jurisdictions change from time to time, and any changes may be implemented with retroactive effect. A change in tax rules or interpretation of tax rules in one or more jurisdictions could increase the Group's tax liabilities. Furthermore, inter alia taking into account the frequent changes to tax regulations, the Group could be subject to claims for breach of such regulations, including for late or incorrect filings or for misinterpretation of rules.

Any additional or increased taxes, including interest and penalties, imposed on the Group, as well as challenging any adverse determinations of tax authorities, could require significant management attention, lead to significant liabilities and otherwise have a material adverse effect on the Group's business, financial condition and results of operations.

#### **4.2.22. *Risk of liability relating to joint taxation***

Under applicable rules, the Issuer is subject to joint taxation with other Danish companies currently or in the future controlled by the Issuer's indirect majority shareholder, Altor Fund IV Holding AB. Currently, this implies that the Issuer is jointly taxed with the Danish companies in the Group as well as the Danish companies in the Norican Group and Notre Administration ApS (which acts as a so-called administration company in the Danish joint taxation group, implying that it is responsible for the administration of joint taxation, including payment of corporate taxes levied on the consolidated income).

Accordingly, the Issuer is currently taxed on a consolidated basis with the Danish companies in the Group, the Danish companies in the Norican group and with Notre Administration ApS (the "**Tax Group**") pursuant to the Danish regime on joint taxation. Each company in the Tax Group is a separate taxable entity and is taxed accordingly under the general Danish corporate tax regime, however, the income of each group member is consolidated for corporate tax purposes thereby allowing tax losses of one group member to be offset against profits of another group member.

Each company in the Tax Group is jointly liable for claims from the Danish tax authorities regarding payment of corporate taxes, withholding taxes, penalty taxes and interest on taxes made against other companies in the Tax Group.

If the companies participating in the Tax Group or future entities joining the Tax Group are not able to pay their taxes, penalty taxes or interest on taxes or if within the Tax Group uncertainties or disagreements arise as to the correct



computation of taxes and allocation hereof between the entities in the Tax Group, this could lead to the Issuer ultimately being liable for taxes of other members of the Tax Group and this may have a material adverse effect on the Group's business, results of operations, financial condition.

**4.2.23. *The terms of the Group's financing arrangements may limit its commercial and financial flexibility and the Group may need to incur further debts or raise further equity capital to fund its operations***

The Issuer and Nykredit Bank A/S have entered into a Super Senior Revolving Credit Facility Agreement. The Super Senior Revolving Credit Facility Agreement will provide working capital facilities in the amount of DKK 112 million.

In May and August 2018, the general meeting of the Parent resolved to increase the share capital of the Parent through the issuance of new B-shares with pre-emptive subscription rights for the existing shareholders against a total cash contribution of DKK 124,998,115.16. The cash was contributed to Tresu A/S by way of a tax-exempt contribution from the Parent.

The financial and other covenants contained in the Super Senior Revolving Credit Facility Agreement or in any future financing arrangements could limit the Group's future operations and the Group's ability to pursue its business strategy, including acquisitions.

In the event of a default under any of the Group's debt obligations, the lenders could terminate their commitments and require immediate repayment of the outstanding loans. Defaulting on a financing agreement could also result in a cross-default on other financing agreements. The Group's assets and cash flow may not be sufficient to fully repay these debts in such circumstances.

Any of the foregoing may force the Group to re-negotiate the terms of its debts, incur further debts and/or raise further equity. There can be no assurance that the Group will be able to raise further debts on acceptable terms or at all.

Any of the foregoing could have a material adverse effect on the Group's business, financial condition, results of operations and/or value of the Bonds.

**4.2.24. *Litigation risk***

In the ordinary course of business, the Group may become involved in litigation, arbitration, legal proceedings and other types of disputes that may have a material adverse effect on its business, results of operations, financial condition and/or prospects of the Issuer. In addition, such actions may also expose it to negative publicity, which might affect the brands and reputation as well as the customer preference for the products, and/or result in substantial legal expenses to the Issuer and distract significant time and attention of its executive management and management team from the business and operations.

The Issuer (including each member of the Group) is not currently involved in any significant litigation, arbitration, legal proceedings and other types of disputes that may have a material adverse effect on the business, results of operations, financial condition and/or prospects of the Group.

**4.2.25. *Limited due diligence***

The legal due diligence of the Group in connection with Altor Fund IV Holding AB's acquisition of the Group has been limited. Consequently, there may be significant risks relating to the Group, its business and legal structures which are not fully disclosed in these risk factors and which in turn could have a material adverse effect on the Group's business, earnings or financial position.

**4.2.26. *Majority owner***

The Group is currently controlled by Altor Fund IV Holding AB and the interests of the majority owner may conflict with the Bondholders', particularly if the Issuer or its Subsidiaries encounter difficulties or are unable to pay their debts as they fall due. The majority owner has the power to control all matters to be decided by vote at a shareholders' meeting and has the ability to appoint the board of directors in the Issuer. Furthermore, the majority owner may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its judgment, could enhance its equity investments, even though such transactions might involve risks to the Bondholders. There is nothing in the terms and conditions for the Bonds that prevents the majority owner or any of its affiliates from acquiring businesses that directly compete with the Issuer. If any such event were to arise this may adversely affect the results of operations, financial condition and/or prospects of the Group.

**4.3. *Risks related to the Bonds***

**4.3.1. *Credit risks***

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

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively.

#### **4.3.2. Refinancing risk**

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

Another aspect of the credit risk is that a deteriorating financial position of the Issuer Group may reduce the Issuer Group's ability to take out debt refinancing upon the maturity of the Bonds.

#### **4.3.3. Listing and liquidity risks**

The Issuer intends to apply for listing of the Bonds on Nasdaq Copenhagen, and has undertaken to have the Bonds listed not later than 12 months of the Issue Date of the Bonds. However, there is a risk that the Bonds will not be admitted to trading within the aforementioned time frame, or at all. Further, even if securities are admitted to trading on a regulated market, active trading in the securities does not always occur and hence there is a risk that a liquid market for trading in the Bonds will not exist or can be maintained even if the Bonds are listed. The liquidity of any market for the Bonds will depend on the number of holders of those Bonds, investor interest at large and relative to the Issuer and its business segment in particular, and the interest of securities dealers in making a market in those securities and other factors. This may result in the holder not being able to sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds if the Bonds are admitted for trading on the regulated market, as the Bonds may trade below their nominal value (for instance, to allow for the market's perception of a need for an increased liquidity risk premium).

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

#### **4.3.4. The Bonds may not remain listed on Nasdaq Copenhagen A/S (or another listing exchange)**

Although the Issuer has agreed in the Bond Terms to procure that the Bonds are listed on Nasdaq Copenhagen A/S within 12 months of the Issue Date and to maintain such listing as long as the Bonds are outstanding, the Issuer cannot guarantee that the Bonds remain listed. Although no assurance is made as to the liquidity of the Bonds as a result of listing on Nasdaq Copenhagen, the delisting of the Bonds from Nasdaq Copenhagen or another recognised listing exchange may have an adverse effect on a holder's ability to sell Bonds in the secondary market.

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

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

#### **4.3.6. Interest rate risk**

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

#### **4.3.7. Currency risks**

The Bonds will be denominated and payable in EUR. If Bondholders in the Bonds measure their investment return by reference to a currency other than EUR, an investment in the Bonds will entail foreign exchange-related risks due to, among other factors, possible significant changes in the value of the EUR 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.

#### **4.3.8. Ability to service debt**

The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Issuer Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Issuer Group's control. If the Issuer Group's operating income is not sufficient to service its current or future indebtedness, the Issuer Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. The Issuer Group may not be able to effect any of these remedies on satisfactory terms, or at all. The aforementioned applies to both long-term and current liabilities and therefore, both the solidity as the liquidity may be affected in this respect.

#### **4.3.9. Risks relating to the value of the transaction security**

Although the obligations under the Bonds and certain other obligations of the Issuer Group towards the Bondholders, the lenders under the Super Senior Revolving Credit Facility Agreement and certain other creditors (jointly 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 additional Bonds or obtains other new secured debt, the security position of the current Bondholders may be impaired.

No valuation of the security assets has been prepared in connection with the offering of the Bonds. The fair market value of the security assets is subject to fluctuations based on factors that include, among others, the Issuer's ability to implement its business strategy, the ability to sell the security assets in an orderly sale, general economic and political conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the security assets would be dependent on numerous factors, including, but not limited to, the actual fair market value of the transaction security in question at such time, general, market and economic conditions, legal restrictions and the timing and the manner of the sale. There can be no assurance that the security assets can be sold. To the extent that liens, rights or easements granted to third parties encumber the security assets, such third parties have or may exercise rights and remedies with respect to such assets subject to such liens that could adversely affect the value of the security assets and the ability of the Security Agent to enforce the security assets.

#### **4.3.10. Sharing of transaction security and insolvency proceeds**

The relation between the Secured Creditors is governed by an intercreditor agreement (the "**Intercreditor Agreement**") between, among others, the Issuer, a security agent, Nordic Trustee A/S (the "**Security Agent**"), the Bondholders' agent, Nordic Trustee A/S (the "**Agent**") and the Secured Creditors.

Pursuant to the Intercreditor Agreement, the providers of the Super Senior Revolving Credit Facility Agreement and certain providers of hedging facilities to the Issuer Group (jointly the "**Super Senior Creditors**") will have the right to proceeds from the transaction security and any payments from the Issuer or any of the guarantors in an insolvency prior to the Bondholders. Consequently, the Bondholders may not be able to recover from the proceeds of the transaction security in an enforcement or from the Issuer or the guarantors in an insolvency unless and until the Super Senior Creditors have been fully repaid. Furthermore, any additional Bonds and certain other new debt may share in the transaction security on an equal basis (*pari passu*) with the Bondholders or have the benefit of security of some of the Issuer's or Guarantors' other assets, which may reduce the Bondholders recovery.

#### **4.3.11. Risks relating to the instruction of the Security Agent**

The transaction security will be granted in favour of the Security Agent (as representative of the Secured Parties) and not directly to the Bondholders. As a consequence, Bondholders do not have direct security interests and will not be entitled to take individual enforcement action in respect of the transaction security securing the Bonds.

The Security Agent will take enforcement instructions primarily from the Agent (representing the Bondholders). However, if the Agent (representing the Bondholders) wishes to enforce the security, the Agent must first consult with the other Secured Creditors (in the event there is no agreement on the proposed enforcement action) for a period of 30 days after which the Agent (representing the Bondholders) may instruct the Security Agent to take such action. The other Secured Creditors may thus delay enforcement which the Bondholders believe is necessary. Furthermore, the Security Agent may act in a manner that the Bondholders believe is to their detriment. In some situations (e.g. where another Secured Creditor has requested enforcement action to be taken but the Bondholders have not provided any enforcement instruction to the Security Agent within three months after the end of the consultation period, or where enforcement action requested by the Bondholders has not resulted in any enforcement proceeds being made available to the Security Agent within six months from the end of the consultation period), the other Secured Creditors may give enforcement instructions to the Security Agent.

The Bondholders and the other Secured Creditors will be represented by 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.

Subject to the terms of the Intercreditor Agreement, the Security Agent is entitled to enter into agreements with the Issuer or a third party or take any other actions necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among others, the Bondholders' rights to the security. Although there is a limitation that such actions shall not be taken if the Security Agent deems the action to be detrimental to the interests of the Bondholders, it cannot be guaranteed that actions will not be taken that may be considered to be detrimental in the view of some or all of the Bondholders.

The Intercreditor Agreement contains important terms in respect of, *inter alia*, the ranking of the Bonds and Bondholders are encouraged by the Issuer to review the Intercreditor Agreement in full and make themselves familiar with its terms.

#### **4.3.12. Risks relating to the Security Agent**

As regards the Security Documents governed by Danish law, the above concerns regarding the ability of the Security Agent to hold the relevant Security Interests on behalf of the Bondholders can be addressed by registering the Security Agent with the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) in accordance with the rules set out in Chapter 4 of the Danish Act on Capital Markets (in Danish: *lov om kapitalmarkeder*). No assurance can be given that the registration of the Security Agent with the Danish Financial Supervisory Authority will be maintained.

In addition, Bondholders bear some risk associated with a possible insolvency or bankruptcy of the Security Agent which could in particular result in a delay in enforcement, diminishing value or even loss of the Security Interests or Guarantees in those jurisdictions, where the guarantee is not created in favour of Bondholders but rather in favour of the Security Agent.

While there is no relationship between the Issuer and Nordic Trustee A/S, which has been appointed as Agent and acts as representative of the Bondholders in all matters relating to the Bonds and the Finance Documents, it is noted that Nordic Trustee A/S is ultimately owned by Altor Fund IV Holding AB, which is the majority shareholder of Parent.

#### **4.3.13. Guarantees and security provided by Issuer's Subsidiaries will be substantially limited by financial assistance regulations and to certain amounts**

The Issuer's obligations under the Bonds are secured by guarantees issued by the subsidiaries of the Issuer and various transaction security issued by the subsidiaries of the Issuer. According to the financial assistance rules of the Danish Companies Act, the subsidiaries of the Issuer cannot provide guarantees or security for loans which have been used to finance or refinance the acquisition of the shares in the subsidiaries or any of their parent companies. A major part of the proceeds from the Bonds were used to refinance the acquisition by the Issuer of the shares in the subsidiaries of the Issuer and guarantees and transaction security provided by the Issuer's subsidiaries do not secure this part of the Bonds. Accordingly, the part of the Bonds which were used for refinancing the acquisition of the shares in the subsidiaries of the Issuer are effectively only secured by the pledge over the shares in Tresu Investment Holding A/S and are effectively structurally subordinated to the creditors of the Issuer's subsidiaries. If it is not possible to separate the part of the Bonds used for the acquisition of shares in the subsidiaries from other parts of the Bonds there is a risk that no part of the Bonds may be secured by any security or guarantees provided by the subsidiaries. The guarantees and transaction security provided by the Issuer's subsidiaries will include limitation language limiting the liability of the Issuer's subsidiaries in accordance with the Danish financial assistance regulations. In addition, the guarantees and transaction security provided by the Issuer's subsidiaries may be limited to certain maximum amounts.

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

The Bondholders will receive proceeds from an enforcement of the transaction security only after obligations towards the Super Senior Creditors have been repaid in full.

The transaction security may be subject to certain limitations on enforcement (in addition to those set out in the Intercreditor Agreement) and may be limited by applicable Danish law or other relevant law or subject to certain defences that may limit its validity and enforceability, including financial assistance restrictions.

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

The value of any intragroup loans that are subject to security in favour of the Secured Creditors is largely dependent on the relevant debtor's ability to repay such intragroup loans. Should the relevant debtor be unable to repay debt obligations upon enforcement of pledge over the intragroup loans, the Secured Creditors may not recover the full value of the security granted under such intra-group loans.

**4.3.15. *Security granted to secure the Bonds may be unenforceable or enforcement of the security may be delayed***

The insolvency laws of applicable jurisdictions may preclude or limit the right of the Bondholders from recovering payments under the Bonds. The enforceability of the transaction security may be subject to uncertainty. The transaction security may be unenforceable if (or to the extent), for example, the granting of the security was considered to be economically unjustified for such security providers (corporate benefit requirement). Furthermore, the transaction security may be limited in value, inter alia, to avoid a breach of the corporate benefit requirement.

The transaction security may not be perfected, inter alia, if the security agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. Such failure may result in the invalidity of the relevant transaction security or adversely affect the priority of such security interest, including a trustee in bankruptcy and other creditors who claim a security interest in the same transaction security.

**4.3.16. *Risks relating to release of transaction security***

The Security Agent may at any time (without the prior consent of the Bondholders), acting on instructions of the Secured Creditors, release the transaction security and guarantees in accordance with the terms of the Intercreditor Agreement. Although the transaction security shall be released pro rata between the Secured Creditors and continue to rank pari passu between the Secured Creditors, such release will impair the security interest and the secured position of the Bondholders, especially since the enforcement proceeds from the remaining transaction security are not distributed equally between the Secured Creditors.

**4.3.17. *Risks related to insolvency or bankruptcy of the Issuer***

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

In the event of bankruptcy or other insolvency proceedings against the Issuer or any guarantor the Bonds will rank in priority after certain priority creditors mandatory preferred by law and the Bonds will further rank after the Super Senior Creditors as set out in section 4.3.10 (*Sharing of transaction security and insolvency proceeds*).

Each investor should be aware that there is a risk that an investor in the Bonds may lose all or part of their investment if the Issuer or another company in the Issuer Group is declared bankrupt, carries out a reorganisation or is wound-up.

**4.3.18. *The Issuer is dependent on its Subsidiaries***

A significant part of the Issuer Group's assets and revenues relate to the Issuer's Subsidiaries. Accordingly, the Issuer as holding company is dependent upon receipt of sufficient income related to the operation of and the ownership in the Subsidiaries to enable it to make payments under the Bonds. The Issuer's Subsidiaries are legally separate and distinct from the Issuer and have no obligation to pay amounts due with respect to the Issuer's obligations and commitments, including the Bonds, or to make funds available for such payments, unless they have expressly undertaken to guarantee the Bonds and in such case only to the extent that the guarantee is not limited by financial assistance issues or otherwise, as described above. The ability of the Issuer's Subsidiaries to make such payments to the Issuer is subject to,

among other things, the availability of funds and legal restrictions. Should the Issuer not receive sufficient income from its Subsidiaries, the investor's ability to receive payment under the terms and conditions for the Bonds may be adversely affected.

#### **4.3.19. *Insolvency of Subsidiaries and structural subordination***

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

Further, the Issuer Group operates in various jurisdictions and in the event of bankruptcy, insolvency, liquidation, dissolution, reorganization or similar proceedings involving the Issuer or any of its Subsidiaries, bankruptcy laws other than those of Denmark could apply. The outcome of insolvency proceedings in foreign jurisdictions is difficult to predict and could therefore have a material and adverse effect on the potential recovery in such proceedings.

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

The Issuer and the Subsidiaries may subject to certain limitations from time to time incur additional financial indebtedness and provide additional security for such indebtedness. In the event of bankruptcy, re-organization or winding-up of the Issuer, the Bondholders will be subordinated in right of payment out of the assets being subject to security.

#### **4.3.21. *Risks related to early redemption and reinvestment***

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

#### **4.3.22. *The Issuer may not be able to finance a put option under the Bonds***

The terms and conditions of the Bonds contain provisions relating to a "Change of Control Event", a "Listing Failure" and a "Delisting". Upon the occurrence of such events as further described in the terms and conditions of the Bonds, each Bondholder will have the option to put its Notes to the Issuer who will be required to redeem or purchase such Notes at a price equal to 101% of their principal amount together with (or, where purchased, together with an amount equal to) accrued interest. If such a put event were to occur, the Issuer may not have sufficient funds available, or may not be able to obtain the funds needed, to redeem or pay the price for all of the Bonds put to it by Bondholders.

#### **4.3.23. *No action against the Issuer and Bondholders' representation***

In accordance with the terms and conditions for the Bonds, the Bondholders' Agent (*obligationsejer repræsentanten*) and Security Agent will represent all Bondholders in all matters relating to the Bonds and the Bondholders are prevented from taking actions on their own against any Issuer. Consequently, individual Bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Bondholders agree to take such action. However, the possibility that a bondholder, in certain situations, could bring its own action against the Issuer (in breach of the terms and conditions for the Bonds) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Issuer. Under the terms and conditions for the Bonds, the Agent or the Security Agent will in some cases have the right to make decisions and take measures that bind all Bondholders. Consequently, the actions of the Agent or the Security Agent in such matters could impact a bondholder's rights under the terms and conditions for the Bonds in a manner that may be undesirable for some of the Bondholders.

A failure by the Agent or the Security Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Bondholders due to, for example, inability to receive any or all amounts payable from the transaction security in a timely and efficient manner.

#### **4.3.24. *The rights of Bondholders depend on the Agent's actions and financial standing***

By subscribing for, or purchasing, any Bond, each Bondholder will accept the appointment of the Agent (to be on the issue date Nordic Trustee A/S) to act on its behalf and to perform administrative functions relating to the Bonds (to act as *obligationsejer repræsentant*). 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 for the Bonds. A failure by the Agent to perform its duties and obligations properly or at all may adversely affect the enforcement of the rights of the Bondholders. Under the terms and conditions for the Bonds and pursuant to Danish law, the funds collected by the Agent as the representative of the Bondholders must be held separately from the funds of the Agent and be treated as escrow funds to ensure that in the event of the Agent's bankruptcy, such funds can be separated for the benefit of the Bondholders. In the event the Agent would fail to separate the funds in an appropriate manner, the funds could be included in the Agent's bankruptcy estate.

The Agent may be replaced by a successor Agent in accordance with the terms and conditions for the Bonds. 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, it cannot be excluded that the successor Agent would not breach its obligations under the above documents or that insolvency proceedings would not be initiated against it.

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

#### **4.3.25. *Bondholders' meetings***

The terms and conditions for the Bonds 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 for the Bonds allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted Bondholders' meeting. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that may be undesirable for some of the Bondholders.

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

The Bonds have not been and will not be registered under the Securities Act or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the Securities Act or any U.S. state securities laws or to effect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. Each potential investor should read the discussion under section 1 (*Important information*) for further information about the transfer restrictions that apply to the Bonds. It is the bondholder's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws.

#### **4.3.27. *Change of law***

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

#### **4.3.28. *All trades in the Bonds shall be in a minimum nominal amount of EUR 100,000***

Pursuant to the terms and conditions of the Bonds, all trades in the Bonds shall be in a minimum nominal amount of EUR 100,000. Following a sale of Bonds by a Bondholder, the Bondholder may hold less than a nominal amount of EUR 100,000, and in such case the Bondholder cannot sell the remaining Bonds without purchasing Bonds (in a minimum nominal amount of EUR 100,000) to increase its holding above EUR 100,000. Since all trades in the Bonds must be in a minimum nominal amount of EUR 100,000, the Bondholder must then purchase Bonds in a nominal amount of at least EUR 100,000. Accordingly, an investment in the Bonds is only suitable for investors who can bear the risks associated with the restriction on selling and/or buying the Bonds in nominal amounts less than EUR 100,000.

#### **4.3.29. *The Bonds may not be a suitable investment for all investors***

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in presentation, any prospectus or any applicable supplement;
- 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 the 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 terms of the Bonds; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

#### **4.3.30. Legal investment considerations may restrict certain investments**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Bonds are legal investments for him/her, (ii) the Bonds can be used as security for various types of borrowing and (iii) other restrictions apply to its purchase or use of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

#### **4.4. Certain insolvency considerations and limitations on the validity and enforceability of the Guarantees and the security interests in Denmark**

Set forth below is a brief description of certain aspects of insolvency laws in Denmark under which the Bonds, most of the Guarantees or Security Interests are being provided. It is a summary only, and proceedings of bankruptcy, insolvency or a similar event could be initiated in other jurisdictions, including Texas. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdiction's law should apply and could adversely affect the ability to enforce rights and to collect payment in full under the Bonds, the Guarantees and the Security Interests.

##### *Insolvency Proceedings under Danish Law*

The Issuer is organised under the laws of Denmark. Accordingly, any insolvency proceedings with respect to the Issuer may proceed under, and be governed by, the insolvency laws of Denmark. These laws may adversely affect the enforcement of the Bondholders' rights under the Bonds and may not be as favourable to their interests as a creditor as the laws of other jurisdictions.

In a Danish bankruptcy, the debtor's assets are liquidated and the proceeds are distributed to the creditors based on a priority of claims. Such liquidation may not yield the same value to the creditors as a reorganisation and sale of a going concern.

As a general rule, the debtor or any creditor may present a petition for bankruptcy. A bankruptcy requires the bankruptcy court to be satisfied that the debtor is insolvent based on a statement of the debtor's liquidity status and that the insolvency is not of a purely temporary nature. A bankruptcy petition by a creditor is barred if the creditor is adequately protected in the event of the debtor's insolvency by means of good and valid security.

If bankruptcy proceedings are commenced, payments under the Bonds may be delayed and may not be made in full. Provisions on avoidance and set off may adversely affect the enforcement of rights under the Bonds. Enforcement of Security Interests is restricted under Danish bankruptcy laws although enforcement of certain assignments and pledges in relation to assets located in Denmark may be enforced after the bankruptcy trustee having been granted the opportunity to make a valuation of those assets. Other assets may only be enforced by the bankruptcy trustee; however, mortgagees and execution creditors may demand enforcement of such security interests six months after the declaration of bankruptcy.

Danish insolvency law also includes a scheme for reconstruction of insolvent companies. In broad terms, this scheme provides for reconstruction of an insolvent company by transfer of the business in full or in part, by a compulsory composition/moratorium or by a combination of both. During the reconstruction procedure, creditors are restricted in their ability to enforce their claims, but valid and binding security may be enforced under certain conditions. If a restructuring procedure fails, bankruptcy proceedings will be initiated automatically against the debtor.

The Danish bankruptcy scheme is based on the fundamental principle of *pari passu* satisfaction of the debtor's unsecured creditors. However, claims against the debtor are subject to priority ranking, giving first priority to costs incurred during the bankruptcy proceedings, including the fee for the bankruptcy trustee. Second rank is given to claims incurred during preceding restructuring proceedings and other costs incurred with the approval of the reconstructor. Third rank, "privileged claims", are mainly salary claims, including salary income taxes (relating to salary claims being filed) but excluding salary claims from the top management (in Danish: *direktører*), who are not salaried employees (in Danish:



*funktionærer*). Fourth rank is given to suppliers to the debtor who have, within 12 months of the onset of insolvency, delivered goods to the debtor with the applicable duties prepaid by the relevant supplier, but only (i) as regards certain specifically listed duties, and (ii) to the extent of the supplier's claim for reimbursement of the duties prepaid.

After fulfilment, if any, of these priority ranking claims, in the above order, any excess proceeds will be distributed among all ordinary, unsecured creditors. Interest accrued on ordinary, unsecured claims will rank as ordinary claims up to the date of the bankruptcy order, after which date the accrued interest will rank as a deferred claim. Deferred claims include, among others, subordinated loans and penalties.

In the event of bankruptcy, claims in foreign currencies will be converted into Danish kroner using the relevant currency rate as of the date of the bankruptcy order.

The status of a claim is dependent upon express statutory authority (except for subordinated loans).

#### *Voidable Transactions under Danish law*

Danish bankruptcy law contains several provisions enabling the bankruptcy trustee to initiate proceedings to have certain transactions prior to the bankruptcy avoided. Some avoidance provisions require the payment or security to be granted within three months before the date of the bankruptcy petition being filed. In some cases, however, avoidance can be claimed for payments or security granted within two years or more before the date of the bankruptcy petition being filed.

Under Danish bankruptcy law, payments made by a Danish group company could be void if, among other things (i) payments are made before they are due or with an amount that has a distinctly impairing effect on such Danish group company's ability to pay its debts, provided the payment does not appear to be ordinary; (ii) payments are made after the date when a petition for bankruptcy was filed, or (iii) payments are made in an improper way that favors a creditor to the detriment of the other creditors, provided that such Danish group company was or became insolvent by the payment and the beneficiary knew or ought to have known about the insolvency and the circumstances that made the payment improper.

Granting of security could be void under Danish bankruptcy law if, among other things (i) security for the debts was not granted to the creditor before or at the time the debt was incurred or (ii) security was not perfected no later than without undue delay after the time the debt was incurred. The timing requirements in respect of granting of security and perfection are interpreted very strictly under Danish law and should be considered carefully by the creditor.

Under Danish bankruptcy law the issuance of guarantees may be subject to avoidance if, among other things (i) the issuance was made at a time when the issuer was insolvent, (ii) the issuance is without due consideration and/or (iii) between closely related parties.

A claim for avoidance can be made against the main debtor or against the beneficiary. Any proceeds relating to a voidable claim are considered an asset of the bankruptcy estate and are to be distributed to the creditors in accordance with the rules governing priority of debts in bankruptcy.

#### *Limitations on the Validity and Enforceability of the Guarantees and Security Interests under Danish law*

It is a requirement under Danish law that a guarantor or security provider obtains an adequate corporate benefit from the issuance of a guarantee or granting of security. This is due to a requirement under Danish law that the management of a company must always ensure a proper management of the company's assets.

Further, the management of the company is obliged to act in accordance with the company's individual interests, including consideration of the company's financial position, the benefits the company will obtain through and the risks related to the granting of security, assessment of the debtor, securing that the arrangement is on market terms, etc. If such benefit is not obtained, the directors of a Danish guarantor or security provider may be subject to civil liability and/or the guarantee or security interest may be null and void. It is not entirely clear under Danish case law to what extent such corporate benefit is established when a subsidiary guarantees and secures debt of a direct or indirect parent company.

The Danish Companies Act furthermore contains restrictions on financial assistance by Danish limited companies. Danish companies are generally prohibited from granting loans, guarantees or security in connection with the financing or refinancing of the acquisition of, or subscription for, their own shares or shares in their direct or indirect parent companies and any such loan, guarantee or security will be invalid and unenforceable. To the extent that any such acquisition debt cannot be separated from other debt, such other debt may be deemed acquisition debt and any loans, guarantees or security granted by Danish companies for such other debt may then also be invalid or unenforceable. The prohibition on financial assistance also extends to non-Danish Subsidiaries of Danish companies even if, under the local

financial assistance and other laws otherwise applicable to such non-Danish Subsidiaries, the relevant guarantee or security could validly be granted.

If loans, guarantees or security are granted in violation of the prohibitions above, such loans, guarantees or security will be invalid and unenforceable and must be repaid with interests. The directors may be subject to liability for losses suffered in this regard.

#### *Enforcement of Security Interests outside bankruptcy under Danish law*

The parties to a security agreement can include contractually agreed enforcement procedures and, if there are no bankruptcy proceedings, the agreed procedures will be binding on the parties. However, sales of assets may be voidable in a later bankruptcy proceeding if the assets were transferred below market value.

The agreed enforcement procedures are not binding on third parties such as creditors that have registered an attachment or valid security against the encumbered assets.

Such third party attachments and rights can only be cleared through a court administered public auction.

In the absence of specifically agreed enforcement procedures, Danish law requires conduct of a public auction in accordance with the Danish Administration of Justice Act (in Danish: *Retsplejeloven*).

Pledges of shares and accounts as well as security assignments of receivables may be enforced without an execution order. However, at least eight days prior notice requesting the debtor to pay the secured debt must be given to the pledgor by registered mail unless a sale is necessary to avoid or reduce a loss.

#### *Perfection of Security Interests under Danish law*

The collateral governed by Danish law is granted and perfected, *inter alia*, in favour of the Bondholders represented by the Security Agent. Rules have been enacted in the Danish Act on Capital Markets (in Danish: *lov om kapitalmarkedet*) allowing representatives to hold security on behalf of bondholders and the Security Agent may be appointed as representative pursuant to the Danish Act on Capital Markets. There is not yet any case law relating to this legislation confirming the right of the representative to enforce on behalf of the holders of the Bonds so there is a risk that enforcement may be delayed.

The collateral governed by Danish law will be perfected by the Issuer in favour of the Security Agent and some of the collateral may only be perfected after the occurrence of certain events having occurred.

Absent perfection, the holder of the security interest may not be able to enforce its rights in the collateral against third parties, including a bankruptcy administrator and other creditors who claim a security interest in the same collateral. Moreover, if perfection occurs only after the occurrence of certain events of default it will entail a hardening period.

Under Danish law, the ranking of security rights is determined by the date on which the relevant act of perfection has been taken, and if a security interest created later in time over that same collateral, but in respect of which the act of perfection is completed prior to perfection of the pre-existing security interest then the security interest created later will have priority.

#### **4.5. Certain limitations on enforcement and certain defences that may limit validity and enforceability of Guarantees and Transaction Security Documents**

The Intercreditor Agreement provides for general limitation language to the effect that the Guarantees are limited to an extent required under United States of America law. Similar limitations may be included for future Guarantees in other jurisdictions.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance, voidable transaction and other laws, a court could subordinate or void the Guarantees, or the security interest granted under the Transaction Security Documents and, if payment had already been made under a Guarantee or enforcement proceeds applied under a Security Document, require that the recipient returns the payment to the relevant Guarantor or security provider, if the court found that:

- the amount paid or payable under the relevant Guarantee or the enforcement proceeds under the relevant Security Document was in excess of the maximum amount permitted under applicable law;

- the relevant Guarantee or Security Interest was incurred with intent to hinder, delay or defraud creditors of the Guarantor or security provider or for fraudulent purposes or, in certain jurisdictions, even solely because the relevant Guarantee was incurred or the security interest was granted without sufficient compensation or the recipient was simply aware or should have been aware that the Guarantor or security grantor was insolvent or in distress when it granted the relevant Guarantee or security, or such grant was made within a certain statutory period before insolvency or distress occurred;
- the Guarantor or security provider did not receive fair consideration or reasonably equivalent value for the relevant Guarantee or security interest and the Guarantor or security provider was (i) insolvent or rendered insolvent because of the relevant Guarantee or security interest, (ii) undercapitalised or became undercapitalised because of the relevant Guarantee or Security Interest or (iii) intended to incur, or believed that it would incur, indebtedness beyond its ability to pay at maturity; or
- the relevant Guarantees or Security Interest were held to exceed the corporate objects or corporate purposes of the Guarantor or security provider or not to be in the best interests or for the corporate benefit of the Guarantor or security provider.

In an insolvency proceeding, it is possible that creditors of the Guarantor or provider of Security Interests or an appointed insolvency administrator may void the Guarantees and Security Interests as fraudulent transfers or conveyances or on other grounds. In certain situations, the relevant bankruptcy court may also act *ex officio* and declare the Guarantees or Security Interests to be ineffective, unenforceable or void. If so, such laws may permit the court, if it makes certain findings, to:

- void or invalidate all or a portion of the obligations under the Guarantees or Security Interests;
- direct that Bondholders return any amounts paid under a Guarantee or any Transaction Security Document to the relevant Guarantor or provider of Security Interests or to a fund for the benefit of the relevant creditors; or
- take other action that is detrimental to Bondholders.

Different jurisdictions evaluate insolvency on various criteria. Generally, however, a Guarantor or security grantor would be considered insolvent if at the time it incurred indebtedness:

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

If a court determined that a Guarantor or provider of Security Interests was insolvent as of the date the Guarantees were issued or Security Interests were created or found that the issuance of the Bonds or a Guarantee of the Bonds was a fraudulent conveyance or other voidable transaction or held it ineffective or unenforceable for any other reason, the court could hold that the payment obligations under the Bonds or such Guarantee or Security Interests are ineffective, or require the Bondholders to repay any amounts received with respect to the Bonds, such Guarantee or Security Interests. In the event of a finding that a fraudulent conveyance or other voidable transaction occurred, the Bondholders may cease to have any claim in respect of the relevant Guarantor and would be a creditor solely of the Issuer and, if applicable, of the other Guarantors under any guarantees which have not been declared void.

Additionally, any future pledge of assets in favour of the Security Agent, including pursuant to security documents delivered after the date of the Bond Terms, might be voidable if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the Bondholders to receive a greater recovery than if the pledge had not been given and a bankruptcy proceeding in respect of the pledgor is commenced within a certain period of time specified in each jurisdiction following the pledge, or in certain circumstances, a longer period.

Further, certain security documents governing security interests granted by the Guarantors will provide that the amounts guaranteed by such security interests will be limited to the extent of the amount guaranteed by such Guarantor. Therefore, limitations in the Guarantees will also serve to limit the amounts guaranteed by the pledges of Collateral.

The Guarantees and the Security Interests, or the enforcement thereof, will be subject to certain contractual or other limitations under applicable law. In particular, contractual limits may be applicable to certain Guarantees or Security Interests to the extent the granting of such Guarantee or enforcement of relevant Security Interests would result in a breach of capital maintenance rules or other statutory laws or would cause the directors of any Guarantor or provider of Security Interests to contravene their duties to incur civil or criminal liability or to contravene any legal prohibition.

## 5. INFORMATION ABOUT THE ISSUER

### 5.1. History and development of the Issuer

The name and address of the Issuer is:

Tresu Investment Holding A/S

Eegsvej 14, Agtrup

DK-6091 Bjert

Kolding Municipality

Denmark

Tel: + 45 7632 3500

The Issuer is registered with the Danish Business Authority under CVR no. 37553727 and has its registered office is in the municipality of Kolding, Denmark.

The Issuer was incorporated on 21 March 2016 as a private limited liability company governed by Danish law. The Issuer was as of 15 June 2017 converted into a public liability company.

The Issuer acquired Tresu Investment A/S on 21 June 2017.

To the Issuer's knowledge no events have occurred since 1 January 2018 which are to a material extent relevant to the evaluation of the Issuer's solvency and which are not described in the Prospectus, including in particular in section 11 (*Financial information concerning the issuer's assets and liabilities*), except for the capital increases mentioned below and as otherwise described in section 11.11 (*Financial information concerning the issuer's assets and liabilities - Significant changes in the Group's financial or trading position*).

In May 2018, the general meeting of the Parent resolved to increase the share capital of the Parent through the issuance of 468,748 new B-shares with pre-emptive subscription rights for the existing shareholders against a total cash contribution of DKK 49,999,793 and in August 2018, the general meeting of the Parent resolved to increase the share capital of the Parent through the issuance of additionally 1,164,932 new B-shares with pre-emptive subscription rights for the existing shareholders against a total cash contribution of DKK 74,998,322.16. The cash contributed in both capital increases was contributed to Tresu A/S by way of a tax-exempt contribution from the Parent.

## 6. BUSINESS

*This Prospectus contains, statistics, data and other information relating to markets, market position and other industry data pertaining to the Issuer's business and markets.*

*Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents. Accordingly, there can be no assurance that a third party using different methodologies or sources could not arrive at different results from the analysis presented in this Prospectus.*

*As a result, prospective investors should be aware that statistics, data and other information relating to the Issuer's markets, market size, market share, market positions and other industry data pertaining to the Issuer's business and markets in this Prospectus, may not be reliable indicators of the Issuer's future results of operations or business performance.*

### 6.1. Introduction

The Group is a manufacturer of flexo inline printing machines to the packaging industry and for specialty printing (e.g. scratch-off lottery, hygiene and liquid pouch printing, and catalyst coating). The Group also supplies a range of ancillary products to manufacturers of flexo, digital and offset printing machines and to end-user customers.

The business model is asset light, as in-house production primarily consists of machine assembly and testing performed by skilled employees. Manufacturing of simple components is almost completely outsourced to sub-suppliers, while only critical components remain manufactured in-house.

The Group is based in Bjert, Denmark, and has primary production facilities in Denmark as well as a smaller assembly facility in the US. The Group has sales and service offices in Germany, Japan, China, Italy and the US.

With more than 98% of the revenue generated outside Denmark, the Group is a player on the global market. The Group has over 250 employees worldwide, and an international network providing local sales support and service

### 6.2. History

Founded in 1981, Tresu originally focused on the production and sale of chamber doctor blade systems (CDBS) and other ancillary products to printer original equipment manufacturers (OEMs) and end-users. The first patent on the CDBS was granted in 1987.

The company gradually evolved into a manufacturer of complete flexo inline printers. In 1991, the Group delivered its first flexo inline printing machine to a leading supplier of liquid packaging. The Group gradually established its international sales organization, which today covers Germany (since 1993), Italy (2001), USA (2004), Japan (2005) and China (2006). The US organisation emerged from Tresu's acquisition of Royse Inc., which primarily produces Ancillary products together with the facility in Denmark.

In 2007, the Group expanded its flexo inline printer business to scratch-off lottery applications.

During 2012 and 2013, the Group decided to pursue opportunities in the digital printing industry with its flexo technology. The Group commenced production of priming and coating units, and established partnerships with leading digital printer OEMs.

In 2015, the Group entered the North American folding carton market and has since delivered machines to two of the largest players in the region.

On 21 June 2017, Tresu Investment A/S, including its subsidiaries, was acquired by the Issuer, ultimately majority-owned by Altor Fund IV Holding AB. Later in September 2017, the Bonds were issued to partly finance the acquisition.

### 6.3. Products and divisions

Today the Group consists of three business areas: (i) "**Flexo Inline**", (ii) "**Digital Solutions**" and (iii) "**Ancillary**".

#### **Flexo Inline**

The Flexo Inline business area consists of the production and sale of made-to-order flexo inline printing machines for food and beverage packaging and non-packaging applications (scratch-off lottery, hygiene, liquid pouch and specialty coating), and aftermarket sales to the installed base.

Aftermarket sales include service, spare parts, consumables and machine upgrades on the installed base.

The Flexo Inline order book at a given time typically comprises mostly large orders with a typical lead (production) time of 6-9 months.

Product examples:

Tresu Flexo Innovator printer (for folding carton)



Tresu scratch-off lottery printer



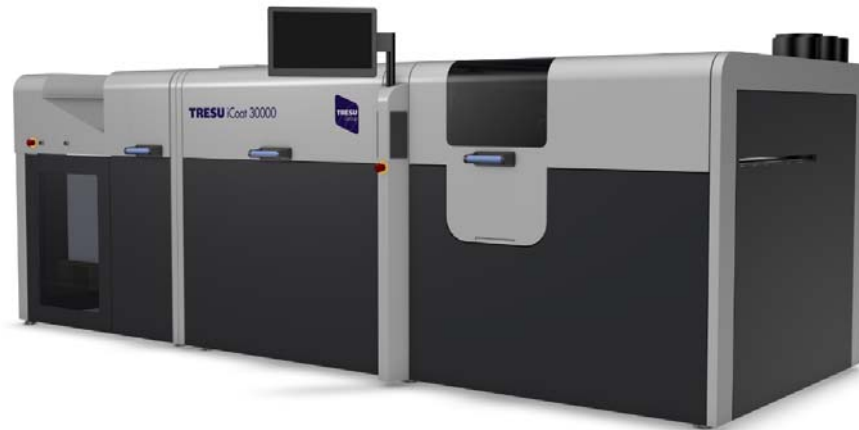
## Digital Solutions

The Digital Solutions business area consists of the production and sale of priming and coating units for the digital printing industry, which among others caters to folding carton printing for pharmaceuticals, cosmetics and high-end confectionery / food. Tresu's priming and coating units have been designed into the OEMs' digital printers and are therefore made-to-stock solutions in contrast with the Flexo Inline printers.

Digital Solutions also includes aftermarket sales (worldwide support, remote support through OEMs and spare part sales).

Product examples:

Tresu iCoat for digital sheet-fed folding carton printing (for integration with HP Indigo 30000 / HP Scitex)



Tresu Webprimer for digital web printing (for integration with HP Indigo 50000)



### **Ancillary**

The Ancillary business area consists of the production and sale of a range of flexo products and sub-systems consisting of chamber doctor blade systems (CDBS) for OEMs of flexo, digital and offset machines. Other products include ink control systems, printing plate cleaning systems, drying and chilling units, and ink and coating circulators.

As with Digital Solutions products, Ancillary products are made-to-stock and are sold to printing machine OEMs and directly to end-users.

Product examples (left to right):

F10 iCon Ink Control System, Pivot Chamber Doctor Blade System, UniPrint Combi Chamber Doctor Blade System



#### 6.4. Market and customers

The Group assesses that there are various global market trends that underpin growth, especially within the flexo printed packaging market:

- 1) **Income growth in emerging economies** – as GDP per capita in emerging markets grows, demand for consumer packaging is expected to increase
- 2) **One-person households** – the increase in the number of one-person households is expected to drive the demand for smaller size goods and therefore more packaging
- 3) **Increased number of products** – the number of products (SKUs) has increased over the previous decades and is expected to continue, driving demand for a range of different packaging
- 4) **Increased branding** – the importance of branding as a way to market continues to increase. Moreover, customisation (e.g. event-based campaigns and limited edition products) drives demand for digital printing, which is conducive to shorter runs and lead time
- 5) **Safety** – consumers are increasingly demanding security, traceability and preservation. Flexo and digital printing can be combined to include traceability features for assurance
- 6) **Sustainability** – Flexo technology's compatibility with recycled paper and water-based ink caters to greater industry focus on recyclability and overall environmental impact

It is management's view that flexo printing continues to take market share from other printing technologies due to technological improvements, including:

- 1) **Cost** – decreasing fixed costs making flexo more competitive for smaller batches, where offset was traditionally dominant
- 2) **Quality** – improved quality / resolution with flexo technology allowing it to become relevant in high quality applications
- 3) **Speed** – flexo printing speeds have increased to become the fastest among competing technologies

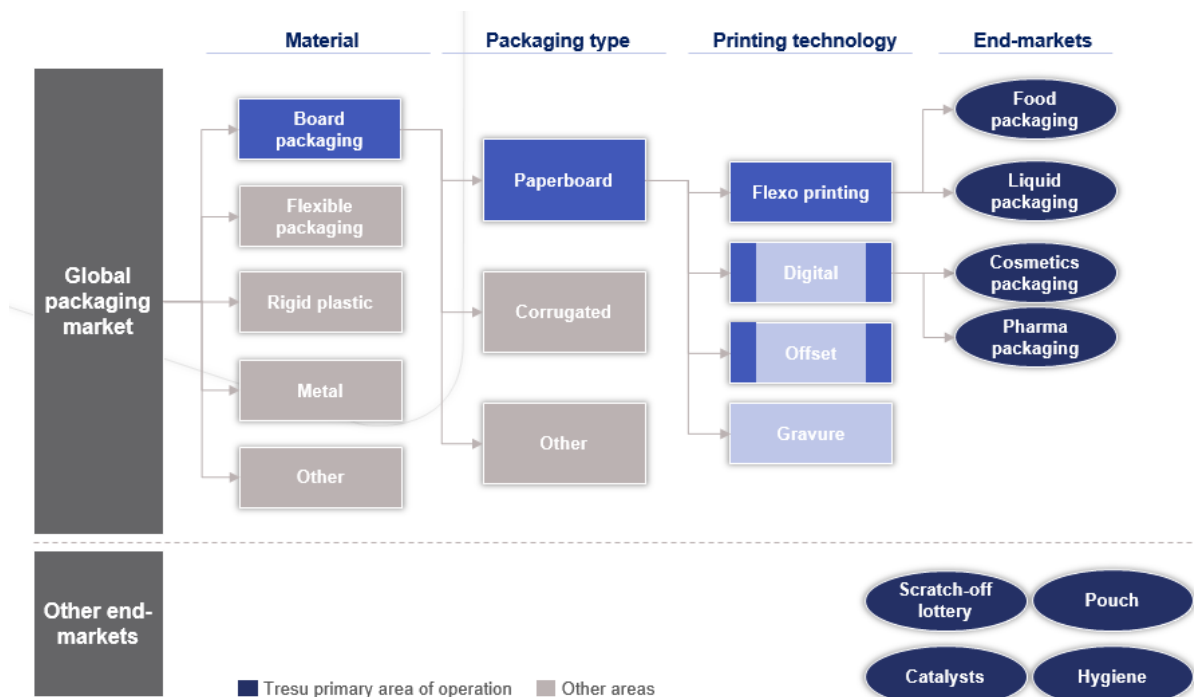
The combination of the above has given flexo technology a strong value position with a low-cost print per run for many end-users.

Digital printing has also developed significantly with quality and speed improvements to challenge offset technology and become more relevant in high quality applications. Digital printing, however, remains most relevant for high value / small volume applications such as in pharmaceuticals and cosmetics, whereas the paperboard market at large still requires high volume printing at a low cost per package.

In terms of material and packaging type, the Group operates primarily in the paperboard sub-segment of the board packaging segment of the global packaging market. The applications cover various end-markets (as indicated by the darker blue highlights in the chart below). The non-packaging end-markets are scratch-off lottery, hygiene and pouch printing, and catalyst coating.

The Group is also active within digital and offset printing via its priming and coating units (as indicated by the lighter blue highlights in the chart below), i.e. the pre and post printing stages when printing with those technologies.





Source: Smithers Pira, Tehnavio

The Group's customers include i) packaging converters, which purchase printers and aftermarket products; ii) digital printer OEMs, which pass through priming and coating units to end-users; iii) OEMs and end-users, which purchase ancillary products; and iv) other end-user customers, which purchase non-packaging printing machines for specialty printing.

## 6.5. Research & Development

Research and development (R&D) is essential for securing future business development, sales and growth. The Group continues to spend significant resources in R&D in close collaboration with key customers to continuously improve its solutions. The R&D effort has led to a series of successful product commercialisations based on patented technologies.

### 6.1. Sales and distribution

The sales process for the Flexo Inline printing machines is primarily handled by the Danish sales organisation in collaboration with the sales office in the United States. The Group employs a go-to-market approach based on the use of lead finders, direct marketing, exhibitions and sales networks. The sales process for large machines differ depending on whether it is an existing or new customer. For new customers, there is typically a greater need for technical dialogue and teaching of Tresu's technology.

The sales process for the Group's Digital Solutions products is primarily handled by the Group's key account sales team, which maintain the relationships with the digital printing OEMs.

The sales process for the Ancillary products is primarily handled by the local sales offices in the United States, Italy, Japan and China, together with a network of agents. The overall sales activity is coordinated and overseen by the Danish sales organisation.

### 6.2. Marketing and communication

The Group's marketing department operates from Denmark and relies on direct marketing, exhibitions, professional social media marketing and websites. The Group's marketing team leverages the Tresu brand and customer references in its communication and efforts.

### **6.3. Production and facilities**

The Group's primary production facilities are currently located on five premises in Denmark, four of which are leased. The facilities are located in or close to Bjert and cover all three business areas: Flexo Inline, Digital Solutions and Ancillary. The Group also has a smaller assembly facility for mainly Ancillary products in Dallas, US.

The production set-up is asset light, as in-house production primarily consists of machine assembly and testing performed by skilled employees. Manufacturing of simple components are almost completely outsourced to sub-suppliers, while only critical components remain manufactured in-house.

As part of the Group's 2021 Strategy Plan, the Danish assembly facilities will be consolidated into one site, which will also house the Group's head office. The new site is currently being developed and expected to become operational from second half of 2019.

### **6.4. Corporate responsibility**

The Group is committed to being a responsible employer. The Group's code of conduct represents the core values of the Group and reflects its continued commitment to ethical business practice and regulatory compliance.

The Group strives to continually improve its work environment. The Group aims to strengthen and implement a shared corporate culture to help treat all colleagues equally. The Group supports and respects the protection of the United Nations Universal Declaration of Human Rights and the various core conventions of the International Labour Organization.

The Group acts as an environmentally aware company at the forefront of the expectations of customers and surroundings and at all times to comply with the requirements of the authorities. The Group focuses on its customers' environmental impact and the recyclability of packaging.

## 7. ORGANISATIONAL STRUCTURE

The Issuer is 100% owned by Parent, which is controlled by Altor Fund IV Holding AB.

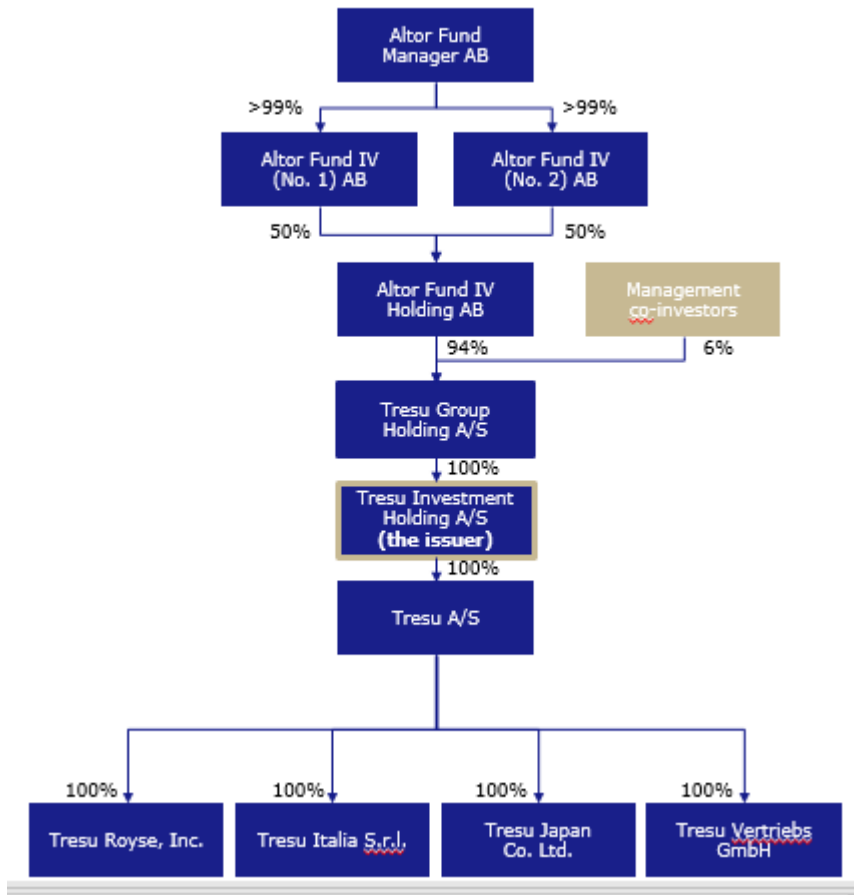
The following table sets forth the direct or indirect Subsidiaries of the Issuer as at the date of this Prospectus:

Entity Name	Country of incorporation	% ownership
Tresu A/S	Denmark	100
Tresu Royse, Inc	United States	100
Tresu Italia S.r.l.	Italy	100
Tresu Japan Co. Ltd.	Japan	100
Tresu Vertriebs GmbH	Germany	100

With a view to simplify the corporate structure of the Group, Tresu Investment A/S and Tresu A/S were merged with Tresu A/S as the surviving company on 31 July 2018 with financial effect as of 1 January 2018.

The Issuer is a holding company and does not itself carry out business activities besides the provision of management services (CEO and CFO) to the rest of the Group. The Issuer depends on distributions of dividends and other payments from its Subsidiaries to meet cash requirements and to fulfil its obligations under the Bond Agreement.

The below chart shows the organisational structure of the Group:



## 8. TREND INFORMATION

### 8.1. *Material Adverse Change in the prospects of the Issuer*

Other than resulting from the events described in section 11.11 (*Financial information concerning the issuer's assets and liabilities - Significant changes in the Group's financial or trading position*), there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements.

## 9. BOARD OF DIRECTORS AND EXECUTIVE MANAGEMENT

The Issuer has a two-tier management structure consisting of the Board of Directors and the Executive Management. The business address of the members of the Board of Directors and the Executive Management is Eegsvej 14, Agtrup, DK-6091, Bjert, Kolding Municipality, Denmark.

The Issuer's Board of Directors is responsible for the Issuer's overall and strategic management and supervises the Issuer's activities, management and organisation. The Board of Directors appoints and dismisses the members of the Executive Management, who are responsible for the day-to-day operations.

The members of the Board of Directors elected by the Issuer's general meeting are elected for a term of one year. Members of the Board of Directors may be re-elected.

### 9.1. Board of Directors

The Board of Directors consists of Carsten Nygaard Knudsen (Chairman), Ola Harald Erics, Søren Dan Johansen, Thomas Stegeager Kvorning and Anders Wilhjem.

### 9.2. Executive Management

The Executive Management consists of Søren Maarssø (CEO) and Heidi Thousgaard Jørgensen.

### 9.3. Biographies

#### *Board of Directors*

**Carsten Nygaard Knudsen** is the chairman of the Board of Directors (appointed 6 December 2017).

Carsten Nygaard Knudsen is chairman of the board of directors of Glunz & Jensen Holding A/S (listed on Nasdaq Copenhagen), Glunz & Jensen A/S, Selandia Park A/S, G.S.V. Holding A/S, G.S.V. Materieludlejning A/S, Black Topco ApS, Tresu Group Holding A/S and Tresu A/S. Furthermore, Carsten Nygaard Knudsen is a member of the board of directors of Stibo-Fonden, Stibo Holding A/S, Stibo Ejendomme A/S, Lyngsøe Systems Holding A/S, Lyngsø Systems A/S, Languagewire A/S and Languagewire Holding A/S. Moreover, Carsten Nygaard Knudsen is a member of the executive management of Søgaarden-Sjælsø ApS and Dane Topco ApS. Carsten Nygaard Knudsen holds an MBA from IESE Business School, Universidad de Navarra and a bachelor from Aarhus School of Business.

**Ola Harald Erics** is a member of the Board of Directors (appointed 6 December 2017).

Ola Harald Erics is the chairman of the board of directors of Midsona AB (listed on Nasdaq Stockholm), Geveko AB and Ecobrånslé AB. Furthermore, Ola Harald Erics is a member of the board of directors of Danske Bank A/S (Malmø), Tresu Group Holding A/S, Tresu A/S, Haarslev Industries A/S, Haarslev Group Holding A/S and Haarslev Group A/S. Ola Harald Erics holds a bachelor degree from Stockholm School of Economics and l'Ecole des Hautes Etudes Commerciales in Paris.

**Søren Dan Johansen** is a member of the Board of Directors (appointed 20 June 2017).

Søren Dan Johansen is chairman of the board of directors of Wrist Ship Supply A/S, C WorldWide Holding A/S, Statens Ejendomssalg A/S, Haarslev Industries A/S, Technoinvest A/S, C WorldWide Group Holding A/S, Roenholtmedia.com ApS, Haarslev Group A/S, Haarslev Group Holding A/S, Wrist Ship Supply Holding A/S, W.S.S. Holding ApS, Cam Holding 1 DK ApS, Norican Global A/S and Leith Society ApS. Furthermore, Søren Dan Johansen is deputy chairman of the board of directors of Hamlet Protein A/S, New Nutrition Holding ApS and New Nutrition ApS. Moreover, Søren Dan Johansen is member of the board of directors of PSR ApS and Tresu Group Holding A/S. Additionally, Søren Dan Johansen is a member of the executive management of Altor Equity Partners A/S, New Nutrition Holding ApS and New Nutrition ApS. Søren Dan Johansen holds a Master of Law from the University of Copenhagen.

**Thomas Stegeager Kvorning** is a member of the Board of Directors (appointed 15 June 2017).

Thomas Stegeager Kvorning is member of the board of directors of Haarslev Industries A/S, Haarslev Group A/S, Haarslev Group Holding A/S, Norican Global A/S, Tresu A/S, Tresu Investment Holding A/S and Tresu Group Holding A/S. Furthermore, Thomas Stegeager Kvorning is a member of the executive management of TK Holding 2013 ApS. Thomas Stegeager Kvorning holds a Master of Finance from the University of Aarhus.

**Anders Wilhjem** is a member of the Board of Directors (appointed 6 December 2017).

Anders Wilhjelm is the chairman of the board of directors of Kg BidCo ApS and Gram Equipment A/S. Anders Wilhjelm is a member of the board of directors of Biomar Group A/S, Dat-Schaub A/S, Tresu A/S and Tresu Group Holding A/S. Moreover, Anders Wilhjelm is chairman of the board of directors of BIMobject AB (Listed on First North). Furthermore, Anders Wilhjelm is a member of the executive management of AFCA ApS. Anders Wilhjelm holds a MBA from Massachusetts Institute of Technology and a Master of Forestry from the University of Copenhagen.

#### *Executive Management*

**Søren Maarssø** is the chief executive officer of the Group (registered with the Danish Business Authority on 1 July 2013 with regard to Tresu A/S).

Søren Maarssø is a member of the executive management of Tresu Group Holding A/S and Tresu A/S. Furthermore, Søren Maarssø is a member of the executive management of S. Maarssø Holding ApS. Søren Maarssø holds a BSc in Mechanical Engineering and an EBA in Engineering Business Administration from VIA University College.

**Heidi Thousgaard Jørgensen** is the chief financial officer of the Group (registered with the Danish Business Authority on 1 August 2018).

Heidi Thousgaard Jørgensen is a member of the executive management of Tresu Group Holding A/S and Tresu A/S. Heidi Thousgaard Jørgensen holds a Bachelor in Finance, from University of Southern Denmark.

#### **9.4. Audit Committee**

The Board of Directors has established an Audit Committee, which reports to the Board of Directors. The Audit Committee consists of Carsten Nygaard Knudsen and Thomas Stegeager Kvorning.

The Audit Committee holds a minimum of two meetings annually and monitors the Issuer's accounting and internal controls and establishes conditions and a framework for the work of the external auditors.

#### **The tasks of the Audit Committee include:**

- Review of current accounting policies;
- Audit plan;
- Interim audit report;
- Review annual report for approval by the board;
- Review long form review including auditors;
- Review of progress of solving issues raised in long term audit report;
- Review of internal control procedures;
- Financial Policy (cash flow, capital adequacy, covenants, hedging);
- Review of compliance to DVCA recommendations;
- Review of compliance to the Danish Financial Statements Act in relation to social responsibility; and
- Election of external auditor.

#### **9.5. Conflicts of Interest**

Neither current nor potential conflicts of interest exist between any duties to the Group by the individuals listed above and their private interests or other duties they perform outside the Group. Each of Søren Dan Johansen and Thomas Stegeager Kvorning are partners with Altor Equity Partners A/S, which acts as advisor to the major shareholder. Søren Dan Johansen and Thomas Stegeager Kvorning have been appointed to the Board of Directors pursuant to agreements or understandings with the major shareholder.

The Issuer is not aware of material interests in the Bond Issue including conflicts of interest.

## 10. MAJOR SHAREHOLDERS

The Parent owns 100% of the Issuer's share capital and voting right. The Parent is controlled by Altor Fund IV Holding AB, which holds 94.4% of the Parent's share capital and voting rights. The Executive Management and certain other employees of the Group own in aggregate 5.6% of the Parent's share capital and voting rights.

In addition, pursuant to the Parent's management incentive programme, certain members of the Executive Management as well as certain other employees of the Group own warrants entitling them, in accordance with the terms of the warrants, to subscribe shares in the Parent.

Altor Fund IV Holding AB is a limited liability company organised under the laws of Sweden. The shares of the company are held with 50% by Altor Fund IV (No. 1) AB and 50% by Altor Fund IV (No. 2) AB.

Altor Fund IV Holding AB controls the Group and no measures have been put into place to prevent Altor from exercising control over the Group.

There are to the Issuer's knowledge as at the date of this Prospectus no arrangements the operation of which may at any subsequent date result in the change of control of the Issuer.

## 11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES

The Issuer prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements of the Danish Financial Statements Act.

The Issuer's audited consolidated financial statements for the year ended 31 December 2017, with comparative figures for the year ended 31 December 2016, are incorporated by reference into this Prospectus as set out in the cross reference table in section 11.1 "Cross Reference". The consolidated income statement for the year ended 31 December 2017 with comparative figures for the year ended 31 December 2016, the consolidated balance sheet at 31 December 2017 with comparative figures at 31 December 2016 and consolidated cash flow statement for the year ended 31 December 2017 with comparative figures for the year ended 31 December 2016 are set forth in the tables included in sections 11.2 - 11.4 below and have been extracted from audited consolidated financial statements for the financial year ended 31 December 2017 of the Issuer.

While the Issuer was incorporated on 21 March 2016, it did not carry out any business activities until the acquisition of Tresu Investment A/S on 21 June 2017. The Issuer's audited consolidated financial statements for the year ended 31 December 2017 therefore only covers the period since acquisition.

The reviewed interim consolidated financial information for the six months ended 30 June 2018 is attached to this Prospectus as Appendix B – Interim Consolidated Financial Information for the six months ended 30 June 2018. The consolidated income statement for the six months ended 30 June 2018 with comparative figures for the six months ended 30 June 2017, the consolidated balance sheet at 30 June 2018 with comparative figures at 30 June 2017 and consolidated cash flow statement for the six months ended 30 June 2018 with comparative figures for the six months ended 30 June 2017 are set forth in the tables included in sections 11.5 - 11.7 below and have been extracted from interim consolidated financial information for the six months ended 30 June 2018 of the Issuer. The interim consolidated financial information has been prepared in accordance with recognition and measurement criteria as applied by the Group in its consolidated financial statements for 2017 as disclosed in note 1 to the interim consolidated financial information. The interim consolidated financial information is not in all aspects prepared in accordance with the IFRS (as it does not include all disclosure requirements) and IAS34 Interim Financial Reporting or the Danish executive order on interim financial reports ("*Delårsrapportbekendtgørelsen*").

Moreover, a combined income statement for 1 January 2017 – 31 December 2017 that comprises a combination of the consolidated income statement of Tresu Investment A/S for the period 1 January 2017 – 20 June 2017 ("before acquisition") and the consolidated income statement of the Issuer for the period 21 June 2017 – 31 December 2017 ("after acquisition") is attached to this Prospectus as Appendix C – Combined Income Statement for 1 January 2017 – 31 December 2017. As the Issuer acquired Tresu Investment A/S and its subsidiaries on 21 June 2017 the consolidated income statement in the consolidated financial statements for the year ended 31 December 2017 of the Issuer only includes business activities of the Group for the period 21 June 2017 – 31 December 2017. In order to give a meaningful presentation of the business activities for a 12 month period the management has decided to present a combined income statement for 1 January 2017 – 31 December 2017 covering business activities of the Tresu Group for 12 months. The combined income statement for 1 January 2017 – 31 December 2017, that is not audited but reviewed by the Issuer's independent auditors, has been prepared in accordance with recognition and measurement criteria as applied by the Issuer in its consolidated financial statements for 2017 as described in note 1 to the combined income statement in Appendix C. The combined income statement for 1 January 2017 – 31 December 2017 set forth in the table included in section 11.8 below has been extracted from combined income statement for 1 January 2017 – 31 December 2017 of the Issuer.

### 11.1. Cross Reference

The additional information explicitly listed in the table below has been incorporated by reference into this Prospectus pursuant to article 28 of the Prospectus Regulation as also set out in section 22 of the Danish Executive Order on Prospectuses. Direct and indirect references in the reports to other documents or websites are not incorporated by reference and do not form part of this Prospectus. The reports speak only as at the date of their respective publications and have not been updated for purposes of this Prospectus. Bondholders should assume that the information in this Prospectus as well as the information incorporated by reference herein is accurate as at the date on the front cover of those documents only (or as otherwise stated in such documents). The business, financial condition, cash flows and results of operations as presented in the consolidated financial statements of Issuer may have changed since those dates. Bondholders are encouraged to read the information incorporated by reference in conjunction with the cautionary statements in section 1.7, "Forward-looking Statements" and in conjunction with section 4 "Risk Factors" in this Prospectus.

The additional information incorporated by reference into this Prospectus is exclusively set out in the cross reference tables below, and is available for inspection at the Issuer's address: Tresu Investment Holding A/S, Eegsvej 14, Agtrup, DK-6091 Bjert, Kolding Municipality, Denmark and at <https://www.tresu.com/investor-relations>.



**Disclosure element reference – Audited consolidated financial statements of the Issuer for the year ended 31 December 2017:**

Income statement	page 14
Statement of comprehensive income	page 14
Balance sheet	page 15
Cash flow statement	page 18
Statement of changes in equity	page 17
Notes	page 19
Statement by the management	page 2
Independent auditor's report	page 3

**11.2. TABLE 1.1: Income statement of the audited consolidated financial statements of the Issuer for the year ended 31 December 2017 prepared in accordance with IFRS and additional requirements of the Danish Financial Statements Act**

<b>Consolidated income statement for the period 01.01.2017-31.12.2017</b>		
	<b>1/1-31/12* 2017 DKK'000</b>	<b>21/3-31/12** 2016 DKK'000</b>
Revenue	286,159	0
Production costs	(260,039)	0
<b>Gross profit/loss</b>	<b>26,120</b>	<b>0</b>
Research and development costs	(3,301)	0
Distribution costs	(19,187)	0
Administrative costs	(36,479)	0
<b>Operating profit/loss</b>	<b>(32,847)</b>	<b>0</b>
Financial income	241	0
Financial expenses	(27,314)	0
<b>Profit/loss before tax</b>	<b>(59,920)</b>	<b>0</b>
Tax on profit/loss for the year	7,486	0
<b>Profit for the year</b>	<b>(52,434)</b>	<b>0</b>
Items that may be recycled subsequently to the income statement:		
Exchange rate adjustments, foreign companies	(1,316)	0
Tax on other comprehensive income	0	0
Other comprehensive income, net of tax	(1,316)	0
<b>Total comprehensive income</b>	<b>(53,750)</b>	<b>0</b>

\* As of 21 June 2017, the parent company of the legacy Tresu Group, Tresu Investment A/S, was acquired by Tresu Investment Holding A/S (the Issuer), ultimately majority-owned by the private equity fund Altor Fund IV Holding AB. The income statement for the financial year 2017 therefore only includes approximately 6 months of business activity.

\*\*The statement only covers the period from 21 March 2016, i.e. date of incorporation of entity.

Profit for the year attributable to owners of the company	(52,434)	0
Total comprehensive income for the year attributable to owners of the company	(53,750)	0

**11.3. TABLE 1.2: Balance sheet of the audited consolidated financial statements of the Issuer for the year ended 31 December 2017 prepared in accordance with IFRS and additional requirements of the Danish Financial Statements Act**

Consolidated balance sheet at 31.12.2017	31.12.2017 DKK'000	31.12.2016 DKK'000
Goodwill	230,600	0
Completed development projects	55,762	0
Patents	216,377	0
Brand	56,300	0
Customer relationship	198,144	0
Order backlog	12,750	0
<b>Intangible assets</b>	<b>769,933</b>	<b>0</b>
Land and buildings	27,246	0
Plant and machinery	32,239	0
Other fixtures and fittings, tools and equipment	5,257	0
Leasehold improvements	766	0
<b>Property, plant and equipment</b>	<b>65,508</b>	<b>0</b>
Deferred tax assets	1,240	0
Deposits	312	0
<b>Other non-current assets</b>	<b>1,552</b>	<b>0</b>
<b>Non-current assets</b>	<b>836,993</b>	<b>0</b>
Inventories	133,235	0
Trade receivables	50,516	0
Contract work in progress	175,551	0
Tax receivables	1,878	0
Other short-term receivables	7,602	0
Prepayments	2,449	0
<b>Receivables</b>	<b>371,231</b>	<b>0</b>
<b>Cash</b>	<b>10,550</b>	<b>50</b>
<b>Current assets</b>	<b>381,781</b>	<b>50</b>
<b>Assets</b>	<b>1,218,774</b>	<b>50</b>
Consolidated balance sheet at 31.12.2017	31.12.2017 DKK'000	31.12.2016 DKK'000

Contributed capital	2,922	50
Other reserves	(1,316)	0
Retained earnings	236,865	0
<b>Equity</b>	<b>238,471</b>	<b>50</b>
Provisions for deferred tax	137,805	0
Other provisions	1,340	0
Corporate bonds	515,409	0
Finance lease liabilities	164	0
Other payables	7,204	0
<b>Non-current liabilities</b>	<b>661,922</b>	<b>0</b>
Current portion of long-term lease liabilities	208	0
Current portion of long-term other payables	1,071	0
Bank debt	67,523	0
Contract liabilities	3,911	0
Trade payables	202,301	0
Income tax payable	5,713	0
Other payables	37,654	0
<b>Current liabilities</b>	<b>318,381</b>	<b>0</b>
<b>Total liabilities</b>	<b>980,303</b>	<b>0</b>
<b>Equity and liabilities</b>	<b>1,218,774</b>	<b>50</b>

**11.4. TABLE 1.3: Cash flow statement of the audited consolidated financial statements of the Issuer for the year ended 31 December 2017 prepared in accordance with IFRS and additional requirements of the Danish Financial Statements Act**

<b>Consolidated cash flow statement for the year 2017</b>		
	<b>1/1-31/12 2017* DKK'000</b>	<b>21/3-31/12 2016** DKK'000</b>
Operating profit/loss	(32,847)	0
Amortisation, depreciation and impairment losses	41,492	0
Other provisions	1,230	0
Working capital changes	(77,590)	0
<b>Cash flows from ordinary operating activities</b>	<b>(67,715)</b>	<b>0</b>
Financial income received	241	0
Financial expenses paid	(27,314)	0
Income taxes refunded/(paid)	(2,095)	0
<b>Cash flows from operating activities</b>	<b>(96,883)</b>	<b>0</b>

\* As of 21 June 2017, the parent company of the legacy Tresu Group, Tresu Investment A/S, was acquired by Tresu Investment Holding A/S (the Issuer), ultimately majority-owned by the private equity fund Altor Fund IV Holding AB. The cash flow statement for the financial year 2017 therefore only includes approximately 6 months of business activity.

\*\* The statement only covers the period from 21 March 2016, i.e. date of incorporation of entity

Acquisition etc. of intangible assets	(1,742)	0
Acquisition etc. of property, plant and equipment	(2,495)	0
Acquisition etc. of financial fixed assets	(312)	0
Acquisition etc. of companies, cf. note 33	(762,800)	0
<b>Cash flows from investing activities</b>	<b>(767,349)</b>	<b>0</b>
Loans raised	510,000	0
Instalments loan	(510,000)	0
Overdraft facility	67,523	0
Capital increase	292,171	50
Corporate bonds	515,038	0
<b>Cash flows from financing activities</b>	<b>874,732</b>	<b>50</b>
Increase/decrease in cash and cash equivalents	10,500	50
Cash and cash equivalents 01.01.2017/21.03.2016	50	0
<b>Cash and cash equivalents end of year</b>	<b>10,550</b>	<b>50</b>
Cash and cash equivalents at year end are composed of:		
Cash	10,550	50
<b>Cash and cash equivalents end of year</b>	<b>10,550</b>	<b>50</b>

**11.5. TABLE 2.1: Income statement of the reviewed interim consolidated financial information of the Issuer for the six months ended 30 June 2018**

	H1 2018 DKK'000	1/1-31/12# 2017 DKK'000	H1# 2017 DKK'000
Revenue	184,605	286,159	17,570
Production costs*	-245,969	-260,039	-14,582
<b>Gross profit/loss</b>	<b>-61,364</b>	<b>26,120</b>	<b>2,988</b>
Research and development costs	-15,480	-3,301	-104
Distribution costs	-24,290	-19,187	-1,103
Administrative costs**	-36,228	-36,479	-14,376
<b>Operating profit/loss</b>	<b>-137,362</b>	<b>-32,847</b>	<b>-12,595</b>
Financial income	44	241	54
Financial expenses***	-15,650	-27,314	-2,453
<b>Profit/loss before tax</b>	<b>-152,968</b>	<b>-59,920</b>	<b>-14,994</b>
Tax on profit/loss for the year****	33,723	7,486	263
<b>Profit for the year</b>	<b>-119,245</b>	<b>-52,434</b>	<b>-14,731</b>

Items that may be recycled subsequently to the income statement:

Exchange rate adjustments, foreign companies	2,710	-1,316	0
Tax on other comprehensive income	0	0	0
Other comprehensive income, net of tax	2,710	-1,316	0
<b>Total comprehensive income</b>	<b>-116,535</b>	<b>-53,750</b>	<b>-14,731</b>

Profit for the year attributable to:

Owners of the Company	-119,245	-52,434	-14,731
-----------------------	----------	---------	---------

Total comprehensive income for the year attributable to:

Owners of the Company	-116,535	-53,750	-14,731
-----------------------	----------	---------	---------

H1	1/1-31/12#	H1#
2018	2017	2017
DKK'000	DKK'000	DKK'000

Amounts related to the acquisition of Tresu Investment and other non-recurring items:

* Increased depreciations on assets acquired (PPA)	38,414	36,039	1,897
* Impairment of Machines and buildings (PPA)	17,853	0	0
* Increased production costs from revaluation of inventory in PPA	0	6,200	0
**Other expenses	4,978	16,181	13,231
***Borrowing costs	0	17,701	2,436
*** Interest corporate bonds	13,192	6,587	0
**** Tax regarding other expenses, borrowing costs and corporate bonds	-3,997	-5,487	-404
**** Adjustments deferred tax related to PPA	-12,551	-9,239	-486
	57,889	67,982	16,674

# As of 21 June 2017 the parent company of the legacy Tresu Group, Tresu Investment A/S was acquired by Tresu Investment Holding A/S. The income statement for the financial year 1/1-31/12 2017 therefore only includes business activity for the period 21 June 2017 – 31 December 2017, and the income statement for H1 2017 only includes business activity for period 21 June – 30 June 2017.

**11.6. TABLE 2.2: Balance sheet of the reviewed consolidated financial information of the Issuer for the six months ended 30 June 2018**

	H1	1/1-31/12	H1
	2018	2017	2017
	DKK'000	DKK'000	DKK'000
Goodwill*****	249,000	249,000	249,000
Completed development projects	58,609	55,762	57,346
Patents	208,314	216,377	223,678

Brand****	37,900	37,900	37,900
Customer relationship	183,588	198,144	211,934
Order backlog	0	12,750	24,829
<b>Intangible assets</b>	<b>737,411</b>	<b>769,933</b>	<b>804,687</b>
Land and buildings	16,753	27,246	27,763
Plant and machinery	22,803	32,239	32,987
Other fixtures and fittings, tools and equipment	7,725	5,257	4,577
Leasehold improvements	701	766	792
<b>Property, plant and equipment</b>	<b>47,982</b>	<b>65,508</b>	<b>66,119</b>
Deferred tax assets	17,730	1,240	404
Deposits	452	312	299
<b>Other non-current assets</b>	<b>18,182</b>	<b>1,552</b>	<b>703</b>
<b>Non-current assets</b>	<b>803,575</b>	<b>836,993</b>	<b>871,509</b>
Inventories	121,680	133,235	91,834
Trade receivables	56,929	50,516	55,577
Contract work in progress	107,255	175,551	190,947
Tax receivables	1,878	1,878	8,507
Other short-term receivables	13,715	7,602	63
Prepayments	3,946	2,449	2,067
<b>Receivables</b>	<b>305,403</b>	<b>371,231</b>	<b>348,995</b>
<b>Cash</b>	<b>6,905</b>	<b>10,550</b>	<b>74,667</b>
<b>Current assets</b>	<b>312,308</b>	<b>381,781</b>	<b>423,662</b>
<b>Assets</b>	<b>1,115,883</b>	<b>1,218,774</b>	<b>1,295,171</b>

\*\*\*\*The Purchase Price Allocation has been changed in June 2018. The valuation of Brand changed from DKK 56.3m to DKK 37.9m, changing the valuation of goodwill from DKK 230.6m to DKK 249m. 31/12 2017 is restated accordingly.

	H1 2018 DKK'000	1/1-31/12 2017 DKK'000	H1 2017 DKK'000
Contributed capital	2,922	2,922	2,857
Other reserves	2,710	-1,316	0
Retained earnings	166,305	236,865	268,070

<b>Equity</b>	<b>171,937</b>	<b>238,471</b>	<b>270,927</b>
Provisions for deferred tax	126,105	137,805	131,337
Other provisions	4,847	1,340	1,282
Corporate bonds	516,070	515,409	0
Finance lease liabilities	149	164	136
Other payables	6,859	7,204	7,411
<b>Non-current liabilities</b>	<b>654,030</b>	<b>661,922</b>	<b>140,166</b>
Current portion of long-term lease liabilities	40	208	1,654
Current portion of long-term other payables	1,071	1,071	548,293
Bank debt	90,899	67,523	24,217
Payable group company	334	0	0
Contract liabilities	10,094	3,911	90,488
Trade payables	144,885	202,301	161,097
Income tax payable	0	5,713	17,157
Other payables	42,593	37,654	41,172
<b>Current liabilities</b>	<b>289,916</b>	<b>318,381</b>	<b>884,078</b>
<b>Total liabilities</b>	<b>943,946</b>	<b>980,303</b>	<b>1,024,244</b>
<b>Equity and liabilities</b>	<b>1,115,883</b>	<b>1,218,774</b>	<b>1,295,171</b>

**11.7. TABLE 2.3: Cash flow statement of the reviewed consolidated financial information of the Issuer for the six months ended 30 June 2018**

	<b>H1 2018 DKK'000</b>	<b>1/1-31/12 2017 DKK'000</b>	<b>H1 2017 DKK'000</b>
Operating profit/loss	-137,362	-32,847	-12,595
Amortisation, depreciation and impairment losses	62,196	41,492	2,271
Other provisions	3,417	1,230	-1,282
Working capital changes	20,435	-77,590	-47,731
<b>Cash flows from ordinary operating activities</b>	<b>-51,314</b>	<b>-67,715</b>	<b>-59,337</b>
Financial income received	44	241	54
Financial expenses paid	-15,650	-27,314	-2,453
Income taxes refunded/(paid)	0	-2,095	0
<b>Cash flows from operating activities</b>	<b>-66,920</b>	<b>-96,883</b>	<b>-61,736</b>
Acquisition etc. of intangible assets	-8,255	-1,742	0
Acquisition etc. of property, plant and equipment	-3,905	-2,495	0

Acquisition etc. of financial fixed assets	-128	-312	0
Acquisition etc. of companies	0	-762,800	-817,597
<b>Cash flows from investing activities</b>	<b>-12,288</b>	<b>-767,349</b>	<b>-817,597</b>
Loans raised	0	510,000	751,785
Instalments loan	-292	-510,000	-107,660
Overdraft facility	25,303	67,523	24,217
Capital increase	50,000	292,171	285,608
Corporate bonds	552	515,038	0
<b>Cash flows from financing activities</b>	<b>75,563</b>	<b>874,732</b>	<b>953,950</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-3,645</b>	<b>10,500</b>	<b>74,617</b>
Cash and cash equivalents 01.01.2018	10,550	50	50
Exchange rate			
<b>Cash and cash equivalents 30 June 2018</b>	<b>6,905</b>	<b>10,550</b>	<b>74,667</b>
Cash and cash equivalents at 30 June are composed of:			
Cash	6,905	10,550	74,667
<b>Cash and cash equivalents 30 June 2018</b>	<b>6,905</b>	<b>10,550</b>	<b>74,667</b>

### 11.8. TABLE 3.1: Combined income statement for the financial period 1 January – 31 December 2017

#### 11.8.1. Introduction to the combined income statement

The Issuer acquired Tresu Investment A/S and its subsidiaries on 21 June 2017. The Issuer did not carry out any business activities prior to the acquisition of Tresu Investment A/S.

The combined income statement for 1 January 2017 – 31 December 2017 is included to give a meaningful presentation of the business activities for a 12 month period, since the acquisition date of the Issuer was 21 June 2017, and therefore the consolidated income statement as presented in the annual report for 2017 of the Issuer only includes business activities for the period 21 June 2017 – 31 December 2017. The combined income statement for 2017 comprises a combination of the consolidated income statement of Tresu Investment A/S for the period 1 January 2017 – 20 June 2017 (“before acquisition”) and the consolidated income statement of the Issuer for the period 21 June 2017 – 31 December 2017 (“after acquisition”).

The consolidated income statement of Tresu Investment A/S (“before acquisition”) for the period 1 January 2017 – 20 June 2017 is derived from the internal consolidated financial statements for Tresu Investment A/S for the period 1 January 2017 – 20 June 2017. The consolidated income statement for the period 21 June 2017 – 31 December 2017 (“after acquisition”) is derived from the audited financial statements for the Issuer for 2017 contained in the annual report for 2017 of the Issuer that is available on the company’s website.

The combined income statement reflects a change in accounting entity from Tresu Investment A/S to the Issuer in connection with the Issuer acquiring Tresu Investment A/S as of 21 June 2017. The acquisition has been accounted for in accordance with IFRS 3 Business combinations as stated in note 33 in the audited financial statements for 2017 for the Issuer. Among other things, this resulted in recognition of substantial intangible assets, which are subject to amortization beginning from 21 June 2017. In addition, a majority of the purchase price was financed by bank borrowings and issuance of bonds, whereby the income statement is also impacted by increased financing costs from 21 June 2017. The combined income statement for 1 January 2017 – 31 December 2017 does not include these items for the period 1 January 2017 – 20 June 2017 (“before acquisition”). These matters should be noted in the assessment of the combined income statement for 2017, and will in itself result in material deviations to future income statements.



## 11.8.2. Combined income statement for the financial period 1 January – 31 December 2017

DKK'000	Before acquisition 1/1 - 20/6 2017	After acquisition 21/6 - 31/12 2017	Total for combined entity 1/1 - 31/12 2017
Revenue	331,627	286,159	617,786
Production cost	-236,995	-260,039	-497,034
<b>Gross profit</b>	<b>94,632</b>	<b>26,120</b>	<b>120,752</b>
Research and development costs	-1,730	-3,301	-5,031
Distribution costs	-18,725	-19,187	-37,912
Administrative costs	-21,623	-36,479	-58,102
<b>Operating profit/loss</b>	<b>52,554</b>	<b>-32,847</b>	<b>19,707</b>
Financial income	5	241	246
Financial expenses	-871	-27,314	-28,185
<b>Profit/loss before tax</b>	<b>51,688</b>	<b>-59,920</b>	<b>-8,232</b>
Tax on profit/loss	-12,692	7,486	-5,206
<b>Profit for the year</b>	<b>38,996</b>	<b>-52,434</b>	<b>-13,438</b>
Items that may be recycled subsequently to the income statement:			
Exchange rate adjustments, foreign companies	1,099	-1,316	-217
Tax on other comprehensive income	0	0	0
Other comprehensive income, net of tax	1,099	-1,316	-217
<b>Total comprehensive income</b>	<b>40,095</b>	<b>-53,750</b>	<b>-13,655</b>

## 11.9. Commentary

### 11.9.1. Tresu Investment Holding A/S (Issuer) – for the year ended 31 December 2017 (Table 1.1)

Tresu Investment A/S was acquired by the Issuer on 21 June 2017 and thereby became a 100% owned subsidiary of the Issuer.

The consolidated financial statements of the Issuer for 2017 consist of figures for the Issuer company for 2017 and consolidated figures for Tresu Investment A/S (and its subsidiaries) for the period 21 June 2017 – 31 December 2017.

In addition, the consolidated financial statements for the Issuer includes the effect of purchase price allocation and conversion from Danish GAAP to IFRS.

The income statement showed a net loss of DKK -52.4m.

The balance sheet included intangible assets of DKK 769.9m. Goodwill was recorded at DKK 230.6m after an impairment test did not identify a need for any write-down.

Equity was at DKK 238.5m.

The cash flow for the period showed an operating cash flow at DKK -67.7m due to negative operating profit (DKK -32.8m) and increase in net working capital by DKK 77.6m.

Acquisition of Tresu Investment A/S was financed, in part, through a senior secured bond of DKK 521.1m

#### **11.9.2. Tresu Investment Holding A/S (Issuer) – for the six months period ended 30 June 2018 (Table 2.1)**

The income statement shows a net loss of DKK 119.2m.

The balance sheet includes intangible assets of DKK 737.4m. Goodwill is recorded at DKK 249.0m.

Equity is at DKK 171.9m.

The cash flow for the period shows an operating cash flow at DKK -66.9m due to negative operating profit (DKK -137.4m) and decrease in net working capital by DKK 20.4m.

The Super Senior Revolving Credit Facility was temporarily increased to DKK 112m in March 2018, which was made permanent in August 2018.

Please also refer to in section 11.11 (*Financial information concerning the issuer's assets and liabilities - Significant changes in the Group's financial or trading position*).

#### **11.9.3. Combined income statement for the financial period 1 January – 31 December 2017**

The combined income statement for the financial period 1 January – 31 December 2017 showed revenue of DKK 617.8m.

An increase within Flexo Inline to the North American market and within Digital Solutions in particular positively impacted revenue growth in 2017.

#### **11.9.4. Tresu A/S, events after 31 December 2017**

On 7 May 2018, Tresu A/S entered into a lease agreement regarding a new production facility to be built. The lease agreement constitutes an operating lease under the accounting principles applied in audited consolidated financial statements for the year ended 31 December 2017 for the Issuer. The expected annual cost (net cost) in relation to the lease is DKK 8.3m.

Please also refer to in section 11.11 (*Financial information concerning the issuer's assets and liabilities - Significant changes in the Group's financial or trading position*).

#### **11.10. Litigation**

Neither the Issuer nor any member of the Group is involved or have been involved during the twelve months preceding the date of this Prospectus, in any governmental, legal or arbitration proceedings which may have or have had significant effects on the financial position or profitability of the Issuer or the Group and, so far as the Issuer is aware, having made all reasonable inquiries, there are no such proceedings pending or threatened.

#### **11.11. Significant changes in the Group's financial or trading position**

Since the last financial report for the financial year ended 31 December 2017, the Issuer's direct Subsidiary has paid out DKK 6.5 million in dividend to the Issuer. In addition, the Group has experienced project cost overruns primarily related to two large projects within the Flexo Inline business unit that required significantly more development work than anticipated to optimize the Group's technology in connection with the Group's entry into the folding carton market. Further expensing of product development costs in Digital Solutions, increased provisions for warranty claims and holiday has affected the result. Adjustments related to the expected sale of the existing factory and machines has also had a negative effect on the H1 2018 result.

During 2018, the Group has experienced a significantly reduced order intake, in particular in the Flexo Inline business unit, resulting in revenues for the six months period ending 30 June 2018 being significantly below expectations and significantly below those realised in the comparable period in 2017. While the Company has no reason to believe that expected orders are lost, but that rather timing of the placing of the orders has been delayed, there can be no assurance that the order intake will increase.

The reduced order intake has led to increased cost due to overcapacity in operations. As a consequence a reduction in staff was executed end of August 2018.

Increased depreciations on assets acquired (PPA) amount DKK 38.4m for H1 2018. Impairment of machines and buildings (PPA) has an effect on H1 2018 of DKK 17.9m, and relates to the expected sale of the existing factory and machines. A Letter of Intent was signed 29 June 2018.

The above has resulted in a negative Group result for the first six months period ending 30 June 2018 of DKK - 119.2m.

To ensure funding of the Group's liquidity requirements during execution of its strategic initiatives, the Group has increased the maximum credit facility under the Super Senior Revolving Credit Facility Agreement to DKK 112m and the shareholders of the Parent have resolved to increase the share capital of the Parent in May and August 2018, resulting in cash contributions to the Group of approximately DKK 125m (see section 5.1 "History and development of the Issuer"). In light of the Group's performance since 31 December 2017, a right sizing of the workforce and outsourcing of certain non-core activities are being implemented during 2018 to lower the Group's cost base and improve operational flexibility.

Other than set out above there has been no significant change in the financial or trading position of the Group since 31 December 2017.

## 12. MATERIAL CONTRACTS

To the Issuer's knowledge, other than the Bond Terms, the Super Senior Revolving Credit Facility Agreement (as described in section 16.3 *Super Senior Revolving Credit Facility*), the agreement regarding Guarantees (as described in section 16.1.4 *Guarantees*) and the Intercreditor Agreement (as described in section 16.4 *Intercreditor Agreement*), the Group has not entered into any material contracts that have not been entered into in the ordinary course of the Group's business and which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the Bonds.

### **13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST**

Where information in this Prospectus has been sourced from third parties this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. No statements or reports attributed to a person as an expert are included in this Prospectus.

Statements made in this Prospectus referring to the Group's competitive position are based on the Group's belief and estimates.

#### 14. DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected and obtained during usual business hours on any day (excluding Saturdays, Sundays and Danish public holidays) at the Issuer's registered office, at Eegsvej 14, Agtrup, DK-6091 Bjert, Kolding Municipality, Denmark, during the period in which this Prospectus is in effect:

1. the Issuer's memorandum of association and the Articles of Association;
2. the Issuer's annual report for the year ended 31 December 2016;
3. the Issuer's annual report for the year ended 31 December 2017 prepared in accordance with IFRS;
4. the Issuer's consolidated interim financial information for the financial period 1 January - 30 June 2018; and
5. the statutory financial statements of Tresu Investment A/S and Tresu A/S for the financial years ended 31 December 2017, 30 September 2017 and 30 September 2016.

In addition, the latest version of the Bond Terms and the Articles of Association of the Issuer and the Guarantors will be available in electronic form on the Issuer's website ([www.tresu.com](http://www.tresu.com)) throughout the period when the Bonds are outstanding. Finally, the most recent version of the Bond Terms, the Transaction Security Documents, the Guarantee Agreement and the Intercreditor Agreement will be available for inspection at the office of the Bond Trustee at Bredgade 30, 1260 Copenhagen K, Denmark, on weekdays during normal office hours throughout the period when the Bonds are outstanding.

## 15. KEY INFORMATION

### **15.1. *Interests in the Bond Issue***

The Issuer is not aware of material interests in the Bond Issue including conflicts of interest.

### **15.2. *Managers' transacting with the Issuer Group***

The Managers or their affiliates may have provided from time to time, and may provide in the future, investment and commercial banking services to the Group in the ordinary course of business, for which they may have received and may continue to receive customary fees and commissions, and may come to have interests that may not be aligned or could potentially conflict with the interests of the Issuer and investors in the Issuer. The Managers do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so. Nykredit Bank A/S is arranger and original lender under the Super Senior Revolving Credit Facility Agreement and the Managers may provide hedging to the Group which may rank ahead of the Bonds pursuant to the Intercreditor Agreement.

## 16. INFORMATION CONCERNING THE SECURITIES TO BE ADMITTED TO TRADING

### 16.1. Bond Terms

A copy of the Bond Terms is attached to this Prospectus as Appendix A – Form of Bond Terms. The Issuer has provided a summary of the Bond Terms (which is included in full as Appendix A) in order to highlight certain key terms as required by applicable law. This section should be read together with the full version of the Bond Terms in Appendix A to which the Issuer refers. In case of any differences between the below summary and the Bond Terms, the Bond Terms shall prevail.

#### 16.1.1. The Bonds

The total Nominal Amount of Bonds which may be issued under the Bond Terms are up to EUR 125,000,000. On 29 September 2017, Bonds in the total Nominal Amount of EUR 70,000,000 were issued by the Issuer. The Nominal Amount of each Bond is EUR 0.01. The Bonds are denominated in EUR and have ISIN: DK0030404967.

The Issuer may, at one or several occasions issue additional Bonds until the total aggregate amount under such subsequent Bonds and the initial Bonds equals EUR 125,000,000 less any amounts repaid, always provided that the Debt Incurrence Test (as defined in the Bond Terms) is met. Any subsequent Bonds shall benefit from and be subject to the Bond Terms and the other Finance Documents, including the ISIN, the interest rate, the Nominal Amount and the Final Maturity applicable to the initial Bonds. The price of the subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount.

The Bonds are subject to the Bond Terms and the other Finance Documents.

The Bonds are issued in uncertificated book entry form cleared through VP Securities A/S (“**VP**”). The address of VP is Weidekampsgade 14, DK-2300 Copenhagen S. Legal title to the Bonds are exclusively evidenced by book entries in the register of VP. The Bonds will not be exchangeable for physical bonds. Registration and settlement of transactions in respect of the Bonds take place in accordance with the rules and procedures for the time being of VP. For further information, see section 16.6 (*Clearing and Settlement*).

#### 16.1.2. Transfer restrictions

All trades in Bonds as well as the initial subscription shall be in a minimum nominal amount of EUR 100,000. A Bondholder who, as a result of a partial redemption, holds an amount which is less than EUR 100,000 in its account will need to purchase a principal amount of the Bonds such that the aggregated Nominal Amount held by that Bondholder equals or exceeds EUR 100,000. A Bondholder who, as a result of trading such amounts, holds an amount which is less than EUR 100,000 in its account with the relevant clearing system will not be able to sell the remainder of such holding without first purchasing a principal amount of the Bonds at or in excess of EUR 100,000 such that its holding amounts to EUR 100,000 or above.

The Bonds may not be offered, sold (directly or indirectly), delivered or otherwise transferred within or into the United States or to, or for the account or benefit of, U.S. Persons, absent registration or under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. As used herein, the terms “United States” and “U.S. person” have the meanings as given to them in Rule 902 of Regulation S under the Securities Act.

Except as set out above and subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferable, but the Bondholders may be subject to purchase or transfer restrictions as applicable from time to time under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.

#### 16.1.3. Ranking

The Bonds rank *pari passu* in right of payment to all of the Issuer’s existing and future senior indebtedness that is not subordinated in right of payment to the Bonds and are senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Bonds. The Bonds are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its Subsidiaries that is mandatorily preferred by law.

Pursuant to the Intercreditor Agreement (see section 16.4 (*Intercreditor Agreement*) below), the Bondholders receive proceeds from the enforcement of the Transaction Security Documents and the Guarantees only after the lenders under the Super Senior Revolving Credit Facility and counterparties under the Hedging Agreements have been repaid in full. The Bondholders will receive proceeds from any bankruptcy or other insolvency proceedings in respect of the Issuer or



any Guarantor only after the lenders under the Super Senior Revolving Credit Facility and the counterparties to the Hedging Agreements.

#### 16.1.4. *Guarantees*

The Guarantors will, jointly and severally, guarantee the fulfilment of all payment obligations of the Issuer under the Bond Terms on a senior secured basis. Each Guarantee will provide the Bondholders with a direct claim against the relevant Guarantor.

The Guarantors are initially Tresu Group Holding A/S, Tresu A/S and Tresu Royse Inc. For information on these Guarantors see section 17.3 (*Issuer and Guarantor Information*).

The Issuer shall procure that any other Material Company shall become a Guarantor and that any Material Company and any further Subsidiary so designated by the Issuer accedes to the Guarantee Agreement as a Guarantor, in order to ensure that the Guarantors constitute at least 80 per cent. of the consolidated EBITDA and total assets of the Group. In respect of any Material Company, such accession shall take place no later than 60 calendar days from the Subsidiary becoming a Material Company.

The Intercreditor Agreement provides for limitation language to the effect that the liabilities under the Guarantees and Security Interests are limited to an extent required under Danish and United States law respectively. See section 16.4 (*Intercreditor Agreement*).

#### 16.1.5. *Security*

The Bonds are secured by (i) a first priority pledge of the shares in each of the Issuer, Tresu A/S, Tresu Royse Inc. and each Material Company; (ii) first priority assignments by each of the Parent and the Issuer of its rights under any Structural Intra-Group Loans; (iii) a charge over a mortgage in an amount of DKK 10,000,000 over a Tresu Concept Innovator F1 1100; and (iv) a negative pledge registered in the Danish Personal Register in respect of the Issuer and each other Guarantor incorporated in Denmark. The original first priority pledge over the Escrow Account was released by the Security Agent as part of the net proceeds of Bonds to the Issuer on or about the Issue Date.

#### 16.1.6. *Interest*

The Bonds carry interest at a rate equal to EURIBOR plus a margin of 5.00 per cent. per annum. A EURIBOR floor of 0.0 per cent. will apply.

Interest will be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

Interest is payable quarterly in arrears on each 29 March, 29 June, 29 September and 29 December of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first interest payment date was 29 December 2017 and the last interest payment date shall be the Final Maturity Date (or any redemption date prior thereto).

#### 16.1.7. *Maturity*

The Bonds (to the extent not redeemed or otherwise discharged) will mature in full on the date falling five years after the issue date of the initial Bonds (the Final Maturity Date), i.e. 29 September 2022, at a price equal to the Nominal Amount together with accrued but unpaid interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

#### 16.1.8. *Issuer's purchase of Bonds*

The Issuer or any of its Subsidiaries may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Bondholders on equal terms (though the Issuer may decide to not make the tender available to investors in certain jurisdictions such as the US). The Bonds held by the Issuer or any Subsidiary may at its discretion be retained or sold but may not be cancelled.

#### 16.1.9. *Put Option*

Upon the occurrence of a Change of Control Event, Listing Failure or Delisting, each Bondholder will have a right ("**Put Option**") to request that the Issuer purchases all, or some only, of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount together with accrued but unpaid interest, during a period of 60 calendar days following notice from the Issuer of the Change of Control Event, Listing Failure or Delisting (as applicable), after which time period such right shall lapse. The Redemption Date, which shall be specified in the notice from the Issuer, must fall no later than 40 Business Days after the end of the 60 calendar days exercise period. The notice shall also include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased.

If Bonds representing more than 75 per cent. of the total aggregate Nominal Amount of the outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining outstanding Bonds at the price stated above by notifying the remaining Bondholders of its intention to do so no later than 15 Business Days after the Redemption Date. Such prepayment may occur at the earliest on the tenth Business Day following the date of such notice.

#### 16.1.10. *Call option*

The Issuer may redeem all, but not some only, of the outstanding Bonds in full at any time: (i) prior to the First Call Date at a price equal to the Make Whole Amount; (ii) from and including the First Call Date to, but excluding, the first Business Day falling 36 months after the Issue Date at a price equal to 102.50 per cent. of the Nominal Amount redeemed; (iii) from and including the first Business Day falling 36 months after the Issue Date to, but excluding, the first Business Day falling 48 months after the Issue Date at a price equal to 101.250 per cent. of the Nominal Amount redeemed; and (iv) from and including the first Business Day falling 48 months after the Issue Date to, but excluding, the Final Maturity Date at a price equal to 100 per cent. of the Nominal Amount redeemed, in each case plus accrued but unpaid interest. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders not less than 20 Business Days prior to the relevant Redemption Date

#### 16.1.11. *Voluntary partial redemption*

Provided that the Bonds have been and remain listed on Nasdaq Copenhagen A/S' regulated market or any other Regulated Market, the Issuer may redeem the Bonds on one occasion per each 12-month period (without carry-back or carry forward) in a maximum cumulative amount not exceeding ten per cent. of the total aggregate amount of the Bonds outstanding from time to time annually, at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the Call Option amount set out above for the relevant period) together with accrued but unpaid interest on the redeemed amounts. Partial redemption shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a pro rata basis.

#### 16.1.12. *Equity Claw Back*

The Issuer may, provided that the Bonds have been and remain listed on Nasdaq Copenhagen A/S' regulated market or any other Regulated Market and that at least 60 per cent. of the aggregate amount of the Bonds remains outstanding, on one or more occasion, in connection with an Equity Listing Event, redeem in part up to 40 per cent. of the total aggregate Nominal Amount of the Bonds outstanding from time to time, in which case the relevant amount shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a pro rata basis. The redemption must occur on an interest payment date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such Equity Listing Event (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering). The repayment per Bond shall be at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the Call Option amount set out above for the relevant period) together with accrued but unpaid interest on the redeemed amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders not less than 20 Business Days prior to the relevant Redemption Date.

#### 16.1.13. *Voluntary total redemption due to illegality*

The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

#### 16.1.14. *Early redemption option due to a tax event*

If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds pursuant to the Bond Terms as a result of any change in or amendment to applicable law or regulations in Denmark, or any change in the interpretation or application of such laws or regulations, which amendment or change is effective on or after the Issue Date, and the Issuer has or will become required to pay any additional amounts in relation to any Bonds and this obligation cannot be avoided by reasonable measures available to the Issuer, the Issuer will have the right to redeem the relevant Bonds at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the Call Option amount set out above for the relevant period) together with accrued but unpaid interest. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders not less than 20 Business Days prior to the relevant Redemption Date.

#### 16.1.15. *Representative*

Nordic Trustee A/S has been appointed as Agent and acts as representative of the Bondholders in all matters relating to the Bonds and the Finance Documents. By virtue of subscribing to the Bonds, each Bondholder authorizes the Agent to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Terms and the Transaction Security Documents, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

The Bondholders may not themselves take any steps against the Issuer or with respect to the Transaction Security, Guarantees and the other Finance Documents.

The agreements on the representation are included in the Bond Terms and the Intercreditor Agreement, which are available as set out under section 16.5 (*Documents on display*).

#### 16.1.16. *Listing*

The Issuer shall use its best efforts to ensure that the Bonds are listed on Nasdaq Copenhagen or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than 12 months after the first Issue Date.

Application has been made to Nasdaq Copenhagen A/S for official listing of the Bonds and admittance to trading on Nasdaq Copenhagen A/S's regulated market.

#### 16.1.17. *Governing Law*

The Bond Terms are governed by Danish law.

#### 16.1.18. *Resolutions, authorisations and approvals*

The issuance of the Bonds and consummation of the transactions relating thereto have been approved by the board of directors of the Issuer on 20 September 2017. No other consents, approvals or authorisations are required for the issuance of the Bonds.

### **16.2. Description of certain Other Indebtedness**

#### 16.2.1. *Existing Indebtedness*

Following the issue of the Bonds and the refinancing of historic indebtedness, the financial indebtedness of the Group is limited to the financial indebtedness permitted under and as set out in the Bond Terms. Below is a summary of key provisions of certain other agreements relating to long term financial indebtedness of the Issuer as at the date hereof.

### **16.3. Super Senior Revolving Credit Facility Agreement**

In connection with the issue of the Bonds, the Issuer has entered into the Super Senior Revolving Credit Facility Agreement with Nykredit Bank A/S as original lender, which provides for originally up to DKK 75 million (permanently increased to DKK 112 million in June 2018) of committed financing which ranks on super senior basis.

Amounts drawn under the Super Senior Revolving Credit Facility may be used for the purpose of (i) financing the working capital requirements and general corporate purposes of the Group (other than the Issuer) and (ii) refinancing the existing outstanding revolving facility loans made by any member of the Group (other than the Issuer) under the Existing Senior Facilities Agreement (as defined in the Super Senior Revolving Credit Facility Agreement).

The initial borrower of the Super Senior Revolving Credit Facility is Tresu A/S. Other wholly owned Subsidiaries of the Issuer may also accede to the Super Senior Revolving Credit Facility Agreement as borrowers, subject to the terms of the Super Senior Revolving Credit Facility Agreement.

#### 16.3.1. *Repayments and Prepayments*

The Super Senior Revolving Credit Facility will be terminated on the date that falls six years after the first utilization under the facility or drawing under an ancillary facility. Any amount outstanding at that time shall be repaid on that date.

The Super Senior Revolving Credit Facility may be cancelled by the lenders upon inter alia the occurrence of (i) a Change of Control (as defined in the Super Senior Revolving Credit Facility Agreement) or (ii) the sale of all or substantially all of the assets of the Group.

#### 16.3.2. *Interest and Fees*

The Super Senior Revolving Credit Facility will initially bear interest at a rate per annum equal to a base rate plus a margin. The Issuer is also required to pay a commitment fee on the unutilised but available part of the Super Senior Revolving Credit Facility.

#### 16.3.3. *Security and Guarantees*

The Super Senior Revolving Credit Facility is guaranteed on a joint and several basis by the same Guarantors which provide Guarantees for the Bonds.

The Super Senior Revolving Credit Facility is secured by the same Transaction Security Documents as the Bonds, except for the Escrow Account Pledge, which only secures the Bonds.

#### 16.3.4. *Covenants and events of default*

The Super Senior Revolving Credit Facility Agreement contains covenants and events of default that are substantially the same as those applicable to the Bonds.

#### 16.3.5. *Governing Law*

The Super Senior Revolving Credit Facility Agreement is governed by Danish law.

### **16.4. Intercreditor Agreement**

In connection with entering the Super Senior Revolving Credit Facility Agreement and the issue of the Bonds, the Issuer, the Guarantors, the Bond Trustee, the Super Senior Agent, Nykredit Bank A/S as lender under the Super Senior Revolving Credit Facility and as original Hedge Counterparty and the Security Agent have entered into the Intercreditor Agreement.

The rights of the Bondholders will be subject to the terms of the Intercreditor Agreement with respect to the subject matter thereof and the Issuer encourages the Bondholders to review the detailed provisions of the Intercreditor Agreement in full.

The Intercreditor Agreement sets out inter alia: (i) the relative ranking of certain indebtedness of the debtors; (ii) the relative ranking of certain security granted by the debtors; (iii) when payments can be made in respect of certain indebtedness of the debtors; (iv) when enforcement actions can be taken in respect of that indebtedness; (v) the terms pursuant to which that indebtedness will be subordinated upon the occurrence of certain insolvency events; (vi) turnover provisions; and (vii) when security and guarantees will be released to permit a sale of any assets subject to transaction security.

#### 16.4.1. *Limitation language*

The Intercreditor Agreement contains certain limitations in respect of the liabilities and obligations (including in respect of any guarantees and any security created in relation thereto) of the Guarantors under the Guarantees and the Transaction Security Documents. In respect of any Guarantor incorporated in Denmark, such include limitations

regarding unlawful financial assistance and limitations to a maximum amount calculated on the basis of the equity of the Guarantor, and in respect of any Guarantor incorporated in the United States of America, the liabilities of such are limited to a maximum aggregate amount equal to the largest amount that would not render its obligations subject to avoidance as a fraudulent transfer or conveyance under any Fraudulent Transfer Law (as defined in the Intercreditor Agreement).

#### 16.4.2. *Application of proceeds*

The Intercreditor Agreement provides that amounts received from the realisation or enforcement of the Transaction Security, payments under any Guarantees or proceeds received in connection with bankruptcy or other insolvency proceedings, shall be paid to the Security Agent for application in the following order of priority (after payment of costs): (i) first to cover indebtedness relating to the Super Senior Revolving Credit Facility and the Hedging Agreements and (ii) secondly to cover any indebtedness under the Bonds and any New Debt (as defined in the Bond Terms).

#### 16.4.3. *Enforcement instructions*

If a representative of the lenders under the Super Senior Facilities Agreement, the Hedging Agreement or the Bondholders wishes to commence enforcement of any Transaction Security Document, the representative of such group of creditors must deliver enforcement instructions to the Security Agent.

Subject to certain exceptions, the representatives of the parties and the Security Agent shall then consult with each other with a view to agree instructions as to enforcement. In the event of conflicting instructions, the Security Agent shall act in accordance with the instructions received from the Instructing Party.

With certain exceptions, the "Instructing Party" will initially be the Bond Trustee unless an Insolvency Event (as defined in the Intercreditor Agreement) has occurred, in which event the Instructing Party will be the representative for the lenders under the Super Senior Facilities Agreement and the Hedging Agreements.

If enforcement has not commenced within 3 months from the end of the consultation period or no proceeds from enforcement has been received by the Security Agent within 6 months from the end of the consultation period, the other representative shall become the Instructing Party and be entitled to give enforcement instructions.

#### 16.4.4. *Payment Block Event*

Pursuant to the terms of the Intercreditor Agreement, the lenders under the Super Senior Revolving Credit Facility Agreement may determine that no payment of principal or interest in respect of the Bonds shall be made to the Bondholders if an event of a default (a Payment Block Event) has occurred under the Super Senior Revolving Credit Facility Agreement for as long as such default is continuing. However, interest shall continue to accrue during such period and any overdue amounts shall carry default interest. The failure to repay principal or pay interest on a due date will constitute an Event of Default under the Bond Terms.

#### 16.4.5. *Governing Law*

The Intercreditor Agreement is governed by Danish law.

### **16.5. Documents on display**

The most recent version of the Transaction Security Documents, the Guarantee Agreement and the Intercreditor Agreement will be available for inspection at the office of the Bond Trustee at Bredgade 30, 1260 Copenhagen K, Denmark, on weekdays during normal office hours throughout the period when the Bonds are outstanding.

### **16.6. Clearing and Settlement**

The Bonds are issued in uncertificated book entry form cleared through VP Securities A/S ("VP"). The International Securities Identification Number (ISIN) for the Bonds is DK0030404967. The address of VP is Weidekampsgade 14, DK-2300 Copenhagen S. Legal title to the Bonds are exclusively evidenced by book entries in the register of VP. The Bonds will not be exchangeable for physical bonds. Registration and settlement of transactions in respect of the Bonds take place in accordance with the rules and procedures for the time being of VP.

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

A bridge currently exists between each of VP, Clearstream Banking, S.A. (“**Clearstream**”) and Euroclear Bank, SA / NV (“**Euroclear**”, and together with Clearstream and VP and referred to as the “**Securities Depositories**” and each referred to as a “**Securities Depository**”). Holders of accounts with Clearstream and/or Euroclear are able to purchase Bonds without holding an account with VP. Holders of accounts with any Securities Depository are able to transfer Bonds to account holders with any other Securities Depository in accordance with the rules and procedures for the time being of the relevant Securities Depository.

#### **16.7. Representative of the Bondholders**

Pursuant to the Bond Terms, the Agent has been appointed to act as representative (in Danish: *fuldmægtig og repræsentant*) on behalf of and for the benefit of the Bondholders pursuant to Chapter 4 of the Danish Act on Capital Markets (in Danish: *lov om kapitalmarkeder*) and in accordance with the terms of the Intercreditor Agreement. The Agent is registered with the Danish Financial Supervisory Authority (in Danish: *Finanstilsynet*) in accordance with the Act on Capital Markets. The Agent has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Terms and the Transaction Security Documents, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

The agreements relating to such representation will be available for inspection at the office of the Agent at Bredgade 30, 1260 Copenhagen K, Denmark, on weekdays during normal office hours throughout the period when the Bonds are outstanding.

## 17. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

### 17.1. Listing Information

Application has been made to Nasdaq Copenhagen A/S for official listing of the Bonds and admittance to trading on Nasdaq Copenhagen A/S' regulated market.

The Bonds are expected to be admitted to trading and official listing on the regulated market of Nasdaq Copenhagen A/S with effect from 28 September 2018.

The Issuer estimates that the total expenses related to the admission to trading and official listing on Nasdaq Copenhagen A/S amounts to approximately DKK 1.4m (exclusive of VAT).

### 17.2. Clearing Information

ISIN DK0030404967

### 17.3. Issuer and Guarantor Information

#### *The Issuer*

**Tresu Investment Holding A/S**, a public limited liability company wholly owned by the Parent and organized under the laws of Denmark under CVR-No. 37 55 37 27, incorporated on 21 March 2016, with its registered office at Eegsvej 14, Agtrup, DK-6091 Bjert, Kolding Municipality, Denmark. The purpose of the Issuer is to function as holding company and to provide management services as well as all other activities as decided by its board of directors. The Issuer has a nominal share capital of DKK 2,922,214 which is fully paid.

The Issuer accepts responsibility for the information contained in this Prospectus.

#### *The Guarantors*

**Tresu Group Holding A/S (Parent)**, a public limited liability company organized under the laws of Denmark under CVR-No. 37 75 20 88, incorporated on 26 May 2016, with its registered office at Eegsvej 14, Agtrup, DK-6091 Bjert, Kolding Municipality, Denmark. The purpose of the Parent is to function as holding company and any other activities as decided by its board of directors. The Parent has a nominal share capital of DKK 3,390,962 which is fully paid.

**Tresu A/S**, a public limited liability company wholly owned by the Issuer and organized under the laws of Denmark under CVR-No. 15 30 27 98, incorporated on 25 June 1991, with its registered office at Eegsvej 14-16, Agtrup, DK-6091 Bjert, Kolding Municipality, Denmark. The purpose of Tresu A/S is to carry on production and trade with machines and equipment, real estate business, rental services and financing activities as well as any other, in the management's judgement, related business. Tresu A/S has a nominal share capital of DKK 4,100,100 which is fully paid.

**Tresu Royse Inc.**, a domestic for-profit corporation wholly owned by Tresu A/S and organized under the laws of the State of Texas under filing no. 33536800, incorporated on 19 December 1973, with its registered office at 303 Colorado Street, Suite 2300, Austin, TX 78701, Texas, United States of America. The purpose of Tresu Royse Inc. is to purchase, manufacture, assemble, fabricate, produce, import, receive, lease as lessee or otherwise acquire, own, hold, store, use, repair, service, maintain, mortgage, pledge or otherwise encumber, sell, assign, lease as lessor, distribute, export or otherwise dispose of and generally deal with and in as principal, agent or otherwise, goods, wares, merchandise and personal property of all kinds and descriptions. Tresu Royse Inc. has a nominal share capital of USD 1,000 which is fully paid. On 17 October 2017, Tresu Royse Inc. acceded to the Guarantee Agreement, the Intercreditor Agreement, the Super Senior Revolving Credit Facility Agreement and the Subscription Agreement within the time limit of 30 calendar days after the Completion Date (as defined in the Bond Terms) as described in the Bond Terms.

## 18. GLOSSARY

"Additional Guarantor" .....	Any Group Company which subsequently becomes a Material Company and accedes to the Bond Terms and the Guarantee Agreement as guarantor.
"Altor" .....	Altor Fund IV (No. 1) AB and/or Altor Fund IV (No. 2) AB and any other funds managed and/or advised by Altor Fund Manager AB.
"Ancillary" .....	The Group's product line for ancillary and aftermarket products.
"Assignment Agreements" .....	The first priority assignments by the Parent and the Issuer of its rights under any Structural Intra-Group Loans.
"Audit Committee" .....	The audit committee of the Issuer at any given time.
"Board of Directors"	The board of directors of the Issuer at any given time.
"Bond Terms" .....	The terms and conditions of the Bonds entered into prior to the Issue Date between the Issuer, the Guarantors and the Bond Trustee.
"Bond Trustee" or "Agent" .....	Nordic Trustee A/S, as representative (in Danish: <i>repræsentant</i> ) for the Bondholders.
"Bondholder" .....	Each holder of the Bonds from time to time.
"Bonds" .....	The EUR 70,000,000 in aggregate principal amount of the Issuer's senior secured Bonds due 2022.
"Business Day" .....	A day on which banks in Denmark are open for business and on which both the CSD's settlement system is open and which is a TARGET Day.
"Business Day Convention" .....	The first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.
"Change of Control Event" .....	(a) Prior to an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons (other than Altor), acting in concert, acquire control over the Issuer and where "control" means acquiring or controlling, directly or indirectly, more than 50 per cent. of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders); and  (b) on and after an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons (other than Altor), acting in concert, acquire control over the Issuer and where "control" means acquiring or controlling, directly or indirectly, more than 30 per cent. of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders).



<b>"Clearstream"</b> .....	Clearstream Banking, S.A.
<b>"Collateral"</b> .....	The assets being subject to Security Interests under the Transaction Security Documents and any other amounts or property, whether rights, entitlements or otherwise, actual or contingent, arising therefrom.
<b>"CSD"</b> .....	The Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially VP Securities A/S.
<b>"Danish GAAP"</b>	The Danish Financial Statements Act.
<b>"Delisting"</b> .....	The delisting of the shares in the Issuer from a Regulated Market.
<b>"Digital Solutions"</b> .....	The Group's division for digital solutions.
<b>"EC"</b> .....	European Commission.
<b>"Equity Listing Event"</b> .....	An offering of shares in the Issuer or any of its holding companies whether initial or subsequent to a public offering, resulting in shares allotted becoming quoted, listed, traded or otherwise admitted to trading on a Regulated Market.
<b>"EU"</b> .....	European Union.
<b>"euro," "EUR" or "€"</b> .....	Euro, the single currency of the participating member states in the Third Stage of the European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.
<b>"Euroclear"</b> .....	Euroclear Bank, SA / NV
<b>"EEA"</b>	European Economic Area
<b>"EURIBOR"</b> .....	<p>(a) The applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day (as defined in the Bond Terms) for the offering of deposits in euro and for a period comparable to the relevant Interest Period (as defined in the Bond Terms) as determined by the Agent; or</p> <p>(b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Agent at its request quoted by banks reasonably selected by the Agent, for deposits of EUR 10,000,000 for the relevant period; or</p> <p>(c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Agent best reflects the interest rate for deposits in euro offered for the relevant period.</p> <p>If any such rate is below zero, EURIBOR will be deemed to be zero.</p>

<b>"Executive Management"</b>	The executive management of the Issuer at any given time.
<b>"Final Maturity Date"</b> .....	The date falling five years after the Issue Date.
<b>"Finance Documents"</b> .....	The Bond Terms, the Transaction Security Documents, the Guarantee Agreement, the Intercreditor Agreement, the Agency Agreement (as defined in the Bond Terms) and any other document designated by the Issuer and the Agent (on behalf of itself and the Bondholders) as a Finance Document.
<b>"First Call Date"</b> .....	The date falling 24 months after the Issue Date.
<b>"Flexo Inline"</b>	The Group's product line for flexo inline printing machines.
<b>"Group"</b> .....	The Issuer and its Subsidiaries from time to time (each a <b>"Group Company"</b> ) and all together the <b>"Group"</b> ).
<b>"Guarantee Agreement"</b> .....	The guarantee and adherence agreement entered into between the Issuer, the Guarantors and the Agent pursuant to which certain secured obligations will be guaranteed by the Guarantors.
<b>"Guarantees"</b> .....	The guarantees provided by the Guarantors under the Guarantee Agreement.
<b>"Guarantors"</b> .....	The Parent, the Issuer, Tresu A/S, Tresu Royse Inc. and the Additional Guarantors (each a <b>"Guarantor"</b> ).
<b>"Hedge Counterparties"</b> .....	The hedge counterparties (each a <b>"Hedge Counterparty"</b> ) under any Hedging Agreement, to the extent the hedge counterparty has acceded to the Intercreditor Agreement.
<b>"Hedging Agreement"</b> .....	Any hedging transaction entered into by a Group Company in respect of payments to be made under the Bonds or for hedging exposures (including hedging exposures in relation to fluctuation in currency rates) arising in the ordinary course of business, but not for speculative or investment purposes.
<b>"IFRS"</b> .....	International Financial Reporting Standards, as adopted by the EU.
<b>"Insurance Mediation Directive"</b>	Directive 2002/92/EC on insurance mediation.
<b>"Intercreditor Agreement"</b> .....	The agreement entered into on or prior to the Issue Date by and among, <i>inter alios</i> , the Issuer, the Security Agent, the Agent and the Secured Creditors.
<b>"Issue Date"</b> .....	The date of original issuance of the Bonds.
<b>"Issuer"</b> .....	Tresu Investment Holding A/S, a public limited liability company wholly owned by the Parent and organized under the laws of Denmark under CVR-No. 37 55 37 27, incorporated on 21 March 2016, with its registered office at Eegsvej 14, Agtrup, DK-6091 Bjert, Kolding Municipality, Denmark and, where the context requires, the Issuer and/or its Subsidiaries.

<b>“Listing Failure”</b> .....	A failure to list the Bonds within 12 months after the Issue Date on Nasdaq Copenhagen A/S' regulated market or any other Regulated Market.
<b>“Make Whole Amount”</b> .....	<p>An amount equal to:</p> <p>(a) the present value on the relevant record date of 102.50 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and</p> <p>(b) the present value on the relevant record date of the remaining interest payments (assuming that the interest rate will be equal to the interpolated EUR midswap rate for the remaining term from the relevant record date until the First Call Date plus the Margin) less any accrued but unpaid interest up to the relevant redemption date, through and including the First Call Date,</p> <p>both calculated by using a discount rate of 50 basis points over the Comparable Bond Price (as defined in the Bond Terms) (i.e. comparable to the remaining duration of the Bonds until the mentioned date falling on the First Call Date) and where “relevant record date” shall mean a date agreed upon between the Agent, the CSD and the Issuer in connection with such repayment.</p>
<b>“Managers”</b> .....	Danske Bank A/S and Nykredit Bank A/S.
<b>“Margin”</b>	5.00 per cent. p.a.
<b>“Material Company”</b> .....	The Issuer and each Group Company holding shares in a Guarantor and any member of the Group which has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA (as defined in the Bond Terms)) or total assets (in each case excluding any intra group transactions) representing ten per cent. or more of consolidated EBITDA or the consolidated total assets of the Group. To be tested quarterly based on the latest unaudited (or in the case of annual financial, audited) consolidated financial statements of the Group.
<b>“Member State”</b> .....	A member state of the European Economic Area.
<b>MiFID II</b>	Directive 2014/65/EU on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
<b>“Mortgage Charge”</b> .....	A first priority charge over an owner's mortgage in an amount of DKK 10,000,000 covering a Tresu Concept Innovator F1 1100 granted by Tresu A/S to be registered in favor of the Security Agent in the Danish Registry of Chattel Mortgages.
<b>“Negative Pledges”</b> .....	Negative pledges to be registered with the Danish Personal Register in respect of the Issuer and each other Guarantor incorporated in Denmark.
<b>“Nominal Amount”</b> .....	The nominal amount of each Bond is EUR 0.01.

<b>"Non-Recurring Items"</b>	Non-recurring items relate to strategic one-off costs related to Altor's acquisition of the Parent and thereby indirectly of the Group, depreciation related to purchase price allocation, one-off costs related to the issuance of Bonds and/or other one-off costs
<b>"OEM"</b> .....	Original equipment manufacturer.
<b>"Parent"</b> .....	Tresu Group Holding A/S, a public limited liability company organized under the laws of Denmark under CVR-No. 37 75 20 88, having its registered office at Eegsvej 14, Agtrup, DK-6091 Bjert, Kolding Municipality, Denmark.
<b>"PPA"</b>	Purchase price allocation
<b>"PRIIPs Regulation"</b>	Regulation (EU) No 1286/2014 on key information documents for packaged retail and insurance-based investment products.
<b>"Prospectus"</b> .....	This Prospectus dated 27 September 2018.
<b>"Prospectus Directive"</b>	Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.
<b>"Put Option"</b> .....	The right to request that the Issuer purchases all, or some only, of the Bonds held by a Bondholder in accordance with section 16.1.9 ( <i>Put Option</i> ).
<b>"Redemption Date"</b> .....	The date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 ( <i>Redemption and Repurchase of the Bonds</i> ) of the Bond Terms.
<b>"Regulated Market"</b> .....	Any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.
<b>"Relevant Member State"</b> .....	Any member state of the European Economic Area which has implemented the Prospectus Directive.
<b>"Secured Creditors"</b> .....	The lenders under the Super Senior Revolving Credit Facility Agreement and certain other creditors
<b>"Securities Act"</b> .....	The U.S. Securities Act of 1933, as amended.
<b>"Security"</b> .....	A mortgage, charge, pledge, lien, assignment, assignation in security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.
<b>"Security Agent"</b> .....	Nordic Trustee A/S, as security agent with respect to the Transaction Security Documents.

<b>"Securities Depository"</b> .....	Each of VP, Euroclear and Clearstream.
<b>"Security Interest"</b> .....	Collectively, the Security created or expressed to be created under the Transaction Security Documents. The validity and enforcement of the Security Interests is subject to certain restrictions under applicable laws. See " <i>Certain Insolvency Considerations and Limitations on Validity and Enforceability of the Guarantees and the Security Interests.</i> "
<b>"Share Pledge Agreements"</b> .....	A first priority pledge over the shares in each of the Issuer, Tresu A/S, Tresu Royse Inc. and each Material Company.
<b>"Structural Intra-Group Loans"</b> .....	Any loans granted by the Parent or the Issuer to any Group Company from time to time with a principal amount in excess of DKK 10,000,000 (or the equivalent in other currencies at the date of establishment or increase of such loan) and with a term or actual duration of more than 12 months.
<b>"Subscription Agreement"</b> .....	The subscription agreement entered into on or before the Issue Date among, <i>inter alia</i> , the Issuer as issuer, the Parent and Tresu A/S as guarantors and Danske Bank A/S and Nykredit Bank A/S as arrangers and joint lead managers, pursuant to which the joint lead managers will subscribe for the Bonds.
<b>"Subsidiaries"</b> .....	The subsidiaries of the Issuer (which shall include both direct and indirect subsidiaries) defined in accordance with IFRS and " <b>Subsidiary</b> " means any of them.
<b>"Super Senior Agent"</b> .....	Nykredit Bank A/S.
<b>"Super Senior Creditors"</b> .....	The providers of the Super Senior Revolving Credit Facility and the Hedge Counterparties.
<b>"Super Senior Revolving Credit Facility"</b> .....	The revolving credit facility under the Super Senior Revolving Credit Facility Agreement, which is described in more detail in section 16.3 ( <i>Super Senior Revolving Credit Facility Agreement</i> ).
<b>"Super Senior Revolving Credit Facility Agreement"</b> .....	The multi-currency revolving credit facility agreement entered into on or before the Issue Date among, <i>inter alia</i> , the Issuer as company, Tresu A/S as original borrower and Nykredit Bank A/S as original lender, arranger and agent pursuant to which the Super Senior Revolving Credit Facility will be made available.
<b>"TARGET Day"</b> .....	Any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.
<b>"Tax Group"</b> .....	The Issuer, the Danish companies in the Group, the Danish companies in the Norican group and Notre Administration ApS.
<b>"Transaction Security Documents"</b> .....	Collectively, the Share Pledge Agreements, the Assignment Agreements, the Mortgage Charge and the Negative Pledges as further described in the Bond Terms.

"VP"

VP Securities A/S

## **APPENDIX A - BOND TERMS**



**Terms and Conditions**

**Tresu Investment Holding A/S**

**Maximum EUR 125,000,000**

**Senior Secured Floating Rate Bonds 2017/2022**

**ISIN: DK0030404967**

**22 September 2017**

No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Bonds in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

Neither the Bonds nor the Guarantees have been or will be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or with any securities regulatory authority of any state or other jurisdiction in the United States. Accordingly, the Bonds may not be offered, sold (directly or indirectly), delivered or otherwise transferred within or into the United States or to, or for the account or benefit of, U.S. Persons, absent registration or under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. As used herein, the terms "United States" and "U.S. person" have the meanings as given to them in Rule 902 of Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.



## Table of Contents

1.	Definitions and Construction .....	1
2.	Status of the Bonds .....	14
3.	Use of Proceeds .....	16
4.	Conditions Precedent.....	16
5.	Bonds in Book-Entry Form .....	19
6.	Right to Act on Behalf of a Bondholder .....	19
7.	Payments in Respect of the Bonds.....	19
8.	Interest .....	20
9.	Redemption and Repurchase of the Bonds .....	21
10.	Transaction Security and Guarantees.....	23
11.	Priority of the Super Senior RCF .....	24
12.	Information to Bondholders .....	25
13.	Incurrence Tests.....	27
14.	General Undertakings.....	29
15.	Events of Default and Acceleration of the Bonds.....	32
16.	Distribution of Proceeds .....	34
17.	Decisions by Bondholders .....	34
18.	Bondholders' Meeting.....	37
19.	Written Procedure .....	37
20.	Amendments and Waivers .....	38
21.	Appointment and Replacement of the Agent .....	39
22.	Appointment and Replacement of the Issuing Agent.....	42
23.	No Direct Actions by Bondholders.....	43
24.	Prescription .....	43
25.	Notices .....	43
26.	Force Majeure and Limitation of Liability .....	44
27.	Governing Law and Jurisdiction.....	44

## 1. Definitions and Construction

### 1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator (in Danish: *kontoførende institut*) pursuant to the Danish Securities Trading Act and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means (i) until conversion to IFRS Danish accounting principles and (ii) following conversion international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Additional Amounts**” shall have the meaning given to such term in Clause 14.13 (*Taxation*).

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

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

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Bonds (irrespective of whether such person is directly registered as owner of such Bonds) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Bonds in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

“**Agent**” means Nordic Trustee A/S, Danish company registration no. (CVR-No.) 34 70 57 20, Bredgade 30, DK-1260 Copenhagen K, Denmark, as agent or another party replacing it as agent in each case in accordance with these Terms and Conditions.

“**Altor**” means Altor Fund IV (No. 1) AB and/or Altor Fund IV (No. 2) AB and any other funds managed and/or advised by Altor Fund Manager AB.

“**Bonds**” means a debt instrument (in Danish: *obligation*) for the Nominal Amount and of the type set forth in the Danish Securities Trading Act and which is governed by and issued by the Issuer under the Terms and Conditions and a “**Bond**” means each of them.

“**Bond Issue**” means the Initial Bond Issue and any Subsequent Bond Issue.

“**Bondholder**” means a person who is registered on a Securities Account as direct registered owner (in Danish: *obligationsejer*) or nominee (in Danish: *nominee*) with respect to a Bond.

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 18 (*Bondholders’ Meeting*).

“**Business Day**” means a day on which banks in Denmark are open for business and on which both the CSD’s settlement system is open and which is a TARGET Day.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Change of Control Event**” means:

- (a) prior to an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons (other than Altor), acting in concert, acquire control over the Issuer and where “control” means acquiring or controlling, directly or indirectly, more than 50 per cent. of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders); and
- (b) on and after an Equity Listing Event, the occurrence of an event or series of events whereby one or more persons (other than Altor), acting in concert, acquire control over the Issuer and where “control” means acquiring or controlling, directly or indirectly, more than 30 per cent. of the total voting rights represented by the shares of the Issuer (being votes which are capable of being cast at general meetings of shareholders).

“**Comparable Bond**” means the Bundesobligation OBL 0.25 per cent. due 11 October 2019.

“**Comparable Bond Price**” means:

- (a) the average of five Reference Bond Dealer Quotations, after excluding the highest and lowest of such Reference Bond Dealer Quotations; or
- (b) if the Issuer obtains fewer than five such Reference Bond Dealer Quotations, the average of all such Reference Bond Dealer Quotations.

“**Completion Date**” means the date of the Agent's approval of the disbursements of the proceeds from the Escrow Account.

“**Compliance Certificate**” means a certificate to the Agent, in the agreed form, signed by the Issuer certifying (as applicable):

- (a) the Debt Incurrence Test (including figures in respect of the relevant financial tests and the basis on which they have been calculated) and that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) the Restricted Payment Test (including figures in respect of the relevant financial tests and the basis on which they have been calculated) and that so far

as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; or

(c) the Material Companies.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds, from time to time, initially VP Securities A/S, Danish company registration no. (CVR-No.) 21 59 93 36, Weidekampsgade 14, DK-2300 Copenhagen S, Denmark.

“**Danish Companies Act**” means the Danish companies act (in Danish: *selskabsloven*), Consolidated Act No. 1089 of 14 September 2015 as amended and/or replaced from time to time.

“**Danish Limitations Act**” means the Danish act on limitation of claims (in Danish: *forældelsesloven*), Consolidated Act No. 1238 of 9 November 2015 as amended and/or replaced from time to time.

“**Danish Securities Trading Act**” means the Danish act on securities trading (in Danish: *Lov om værdipapirhandel m.v.*), Consolidated Act No. 251 of 21 March 2017, as amended, which with effect from 3 January 2018 will be replaced by the Danish act on capital markets (in Danish: *Lov om Kapitalmarkeder*) Act No. 650 of 8 June 2017, as amended and/or replaced from time to time.

“**Debt Incurrence Test**” means the test set out in Clause 13(a).

“**Delisting**” means the delisting of the shares in the Issuer from a Regulated Market.

“**DKK**” or “**Danish Kroner**” means Danish kroner, the lawful currency of Denmark.

“**EBITDA**” means, in respect of the Reference Period, the consolidated income profit of the Group, on a rolling 12 months basis, from ordinary activities according to the latest Financial Reports:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary or exceptional items which are not in line with the ordinary course of business, provided that extraordinary or exceptional items for any Reference Period shall not exceed ten per cent. of EBITDA for that Reference Period;
- (d) before taking into account any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (e) not including any accrued interest owing to any Group Company;
- (f) before taking into account any unrealised gains or losses on any financial instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;

- (h) plus or minus the Group's share of the profits or losses of entities which are not part of the Group;
- (i) after deducting the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (j) after adding any amounts claimed under loss of profit, business interruption or equivalent insurance, provided that it is reasonably likely (determined in good faith by the management of the Issuer after its best assessment) that the Group will be entitled to receive insurance proceeds under such insurance claims; and
- (k) after adding back any amount attributable to the amortisation, depreciation, impairment or depletion of assets of members of the Group.

**“Equity Listing Event”** means an offering of shares in the Issuer or any of its holding companies whether initial or subsequent to a public offering, resulting in shares allotted becoming quoted, listed, traded or otherwise admitted to trading on a Regulated Market.

**“Escrow Account”** means a bank account of the Issuer held with Danske Bank A/S, into which the proceeds from the Initial Bonds will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Escrow Account Pledge Agreement.

**“Escrow Account Pledge Agreement”** means the pledge agreement entered into between the Issuer and the Agent in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Bondholders.

**“Existing Financing”** means the facility agreement dated 15 June 2017 between, among others, the Issuer as original borrower and guarantor, the Parent as original guarantor and Nykredit Bank A/S as original lender, arranger, agent and original hedge counterparty concerning a multicurrency term and revolving facilities of up to DKK 575,000,000.

**“EURIBOR”** means:

- (a) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period as determined by the Agent; or
- (b) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Agent at its request quoted by banks reasonably selected by the Agent, for deposits of EUR 10,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), the interest rate which according to the reasonable assessment of the Agent best reflects the interest rate for deposits in Euro offered for the relevant period; and

if any such rate is below zero, EURIBOR will be deemed to be zero.

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

“**Event of Default**” means an event or circumstance specified in any of the Clauses 15.1 (*Non-payment*) to and including 15.9 (*Impossibility or Illegality*).

“**Final Maturity Date**” means the date falling five years after the First Issue Date.

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

“**Finance Documents**” means these Terms and Conditions, the Security Documents, the Guarantee Agreement, the Intercreditor Agreement, the Agency Agreement and any other document designated by the Issuer and the Agent (on behalf of itself and the Bondholders) as a Finance Document.

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

- (a) moneys borrowed (including under any bank financing or debt capital market instruments);
- (b) any acceptance under any acceptance credit or bill discounting facility (or materialized equivalent);
- (c) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (d) the amount of any liability under any finance leases (a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability), provided that any leases which at the First Issue Date are treated as being operating leases, shall not be considered as being finance leases due to any subsequent change in the Accounting Principles;
- (e) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (f) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (g) the marked-to-market value of derivative transactions entered into in connection with protection against, or in order to benefit from, the fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (h) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and

- (i) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (h) above.

**“Financial Report”** means the Group’s annual audited consolidated financial statements or quarterly interim unaudited consolidated reports of the Group, which shall be prepared and made available according to Clauses 12.1(a)(i) and 12.1(a)(ii).

**“First Call Date”** means the date falling 24 months after the First Issue Date.

**“First Issue Date”** means 29 September 2017.

**“Force Majeure Event”** has the meaning set forth in Clause 26(a).

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

**“Guarantee”** means the guarantees created pursuant to the Guarantee Agreement.

**“Guarantee Agreement”** means the guarantee and adherence agreement entered into between the Issuer, the Guarantors and the Agent pursuant to which certain secured obligations will be guaranteed by the Guarantors.

**“Guarantors”** means the Parent, the Issuer, Tresu Investment A/S, Tresu A/S, Tresu Royce, Inc., and any further Group Company which accedes to the Guarantee Agreement as a guarantor in accordance with Clause 10(c).

**“Incurrence Test Event”** means an event contemplated by (i) paragraphs (g) and (o) of the definition of Permitted Debt, (ii) Clause 2(e) and (iii) Clause 14.2 (*Restricted Payments*).

**“Initial Bonds”** means the Bonds issued on the First Issue Date.

**“Initial Bond Issue”** means the issuance of the Initial Bonds.

**“Insolvent”** means, in respect of a relevant person, that it is deemed to be insolvent or admits inability to pay its debts as they fall due, suspends or declares that it will suspend making payments on any of its debts or, by reason of actual financial difficulties, commences negotiations with all or substantially all of its known creditors (other than the Bondholders, the creditors of New Debt or the creditors of Super Senior Debt) with a view to rescheduling any of its indebtedness or is subject to involuntary winding-up, dissolution or liquidation.

**“Instructing Party”** shall have the meaning given to such term in the Intercreditor Agreement.

**“Intercreditor Agreement”** means the intercreditor agreement entered into between, amongst other, the Issuer, the lender under the Super Senior RCF, the facility agent under the Super Senior RCF, the hedge counterparties to the Super Senior Hedges and the Agent (representing the Bondholders).

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

**“Interest Payment Date”** means 29 March, 29 June, 29 September and 29 December of each year or, to the extent such day is not a Business Day, the Business Day following

from an application of the Business Day Convention. The first Interest Payment Date for the Bonds shall be 29 December 2017 and the last Interest Payment Date shall be the Final Maturity Date (or any Redemption Date prior thereto).

**“Interest Period”** means:

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

**“Interest Rate”** means EURIBOR plus the Margin.

**“Issue Date”** means the First Issue Date and any subsequent issue date on which Bonds are issued.

**“Issuer”** means Tresu Investment Holding A/S, a public limited liability company incorporated under the laws of Denmark with Danish company registration no. (CVR-No.) 37 55 37 27 and having its registered address at Eegsvej 14 Agtrup, DK-6091 Bjert, Denmark.

**“Issuing Agent”** means Danske Bank A/S, Danish company registration no. (CVR-No.) 61 12 62 28, Holmens Kanal 2-12, 1092 Copenhagen K, Denmark as Issuing Agent or another party replacing it as Issuing Agent.

**“Joint Bookrunners”** means Danske Bank A/S and Nykredit Bank A/S.

**“Legal Reservations”** means the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors.

**“Leverage Ratio”** means the ratio of Net Interest Bearing Debt to EBITDA, calculated in accordance with Clause 13.2 (*Calculation of Leverage Ratio*).

**“Listing Failure”** means a failure to list the Bonds within 12 months after the First Issue Date on NASDAQ Copenhagen or any other Regulated Market.

**“Make Whole Amount”** means an amount equal to:

- (a) the present value on the relevant record date of 102.50 per cent. of the Nominal Amount as if such payment originally should have taken place on the First Call Date; and
- (b) the present value on the relevant record date of the remaining interest payments (assuming that the Interest Rate will be equal to the interpolated EUR mid-swap rate for the remaining term from the relevant record date until the First Call Date plus the Margin) less any accrued but unpaid Interest up to the relevant redemption date, through and including the First Call Date,

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



“**Margin**” means 5.00 per cent. p.a.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Issuer and the Guarantors taken as whole to comply with their payment obligations under the Finance Documents; or
- (b) the financial conditions, business, operations or assets of the Group taken as a whole; or
- (a) (subject to the Legal Reservations) the validity or enforceability of the terms of any Finance Documents.

“**Material Company**” means the Issuer and each Group Company holding shares in an Guarantor and any member of the Group which has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) or total assets (in each case excluding any intra group transactions) representing ten per cent. or more of consolidated EBITDA or the consolidated total assets of the Group. To be tested quarterly based on the latest unaudited (or in the case of annual financial, audited) consolidated financial statements of the Group.

“**Minimum Trading Unit**” has the meaning set forth in Clause 2(c).

“**NASDAQ Copenhagen**” means Nasdaq Copenhagen A/S' regulated market.

“**Nasdaq Copenhagen A/S**” means Nasdaq Copenhagen A/S, Danish company registration no. (CVR-No.) 19 04 26 77, Nikolaj Plads 6, DK-1067 Copenhagen C, Denmark.

“**Net Finance Charges**” means, for the Reference Period, the Finance Charges according to the latest Financial Report(s), after deducting any interest payable for that Reference Period to any Group Company and any interest income relating to cash or cash equivalent investment (and excluding any interest capitalised on shareholder loans).

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt less cash and cash equivalents of the Group in accordance with the applicable Accounting Principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, bank guarantees, shareholder loans, any claims subordinated pursuant to the Intercreditor Agreement and interest bearing debt borrowed from any Group Company).

“**Net Proceeds**” means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs.

“**New Debt**” means Financial Indebtedness incurred pursuant to item (g)(ii) of the definition of Permitted Debt.

“**Nominal Amount**” has the meaning set forth in Clause 2(c).

“**Original Super Senior RCF**” means the DKK 75,000,000 super senior revolving credit facility agreement entered into between, among others, the Issuer and Nykredit Bank A/S dated on or about the date of these Terms and Conditions.

“**Parent**” means Tresu Group Holding A/S a public limited liability company incorporated under the laws of Denmark with Danish company registration no. (CVR-

No.) 37 75 20 88 and having its registered address at Eegsvej 14 Agtrup, DK-6091 Bjert, Denmark.

“**Payment Block Event**” shall have the same meaning as given to such term in the Intercreditor Agreement.

“**Payment Instructions**” shall have the meaning given to such term in Clause 4(c)(viii).

“**Permitted Debt**” means:

- (a) Financial Indebtedness incurred under the Initial Bonds;
- (b) the Existing Financing until the Completion Date;
- (c) Financial Indebtedness incurred as financial lease debt in a maximum amount of DKK 3,000,000 (or its equivalent in any other currency);
- (d) Financial Indebtedness incurred under a Super Senior RCF in an amount not exceeding the Super Senior Headroom;
- (e) Financial Indebtedness incurred under any Super Senior Hedges;
- (f) Financial Indebtedness incurred as Shareholder Debt;
- (g) Financial Indebtedness incurred by the Issuer if such Financial Indebtedness meets the Debt Incurrence Test tested *pro forma* including such incurrence, and (i) is incurred as a result of a Subsequent Bond Issue, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Bonds, and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date, in each case subject to the Intercreditor Agreement;
- (h) Financial Indebtedness arising as a result of a contemplated refinancing of the Bonds in full provided that such debt is held in escrow until full repayment of the Bonds;
- (i) Financial Indebtedness incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (j) Financial Indebtedness arising under a commodity derivative for spot or forward delivery entered into in connection with protection against fluctuation in or prices where the exposure arises in the ordinary course of business, but not any transaction for investment or speculative purposes;
- (k) obligations which are covered by a guarantee issued under the Super Senior RCF up to an amount not exceeding the Super Senior Headroom;
- (l) Financial Indebtedness incurred under Advance Purchase Agreements;
- (m) Financial Indebtedness incurred in the ordinary course of business by any Group Company under any pension and tax liabilities;
- (n) Financial Indebtedness arising under the export VAT scheme with the Danish tax authorities (in Danish: *eksportmomsordningen*);

- (o) Financial Indebtedness incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holding indebtedness, provided that the Debt Incurrence Test is met, tested *pro forma* including the acquired entity in question and provided that any such acquired debt is refinanced by the Issuer or any other Group Company within six months;
- (p) Financial Indebtedness arising under any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;
- (q) any trade credit received (including for the avoidance of doubt but not limited to any liability under any advance or deferred purchase agreement) by any Group Company from any of its trading partners in the ordinary course of its trading activities (on normal commercial terms);
- (r) guarantees issued and outstanding as of the Completion Date under current local facilities with an aggregate maximum liability of DKK 15,000,000 (or its equivalent in any other currency);
- (s) any existing earn out and payment obligations as of the First Issue Date, in aggregate approximately DKK 9,000,000 (or its equivalent in any other currency);
- (t) all guarantees issued under the existing DKK 50,000,000 guarantee facility provided by Tryg and existing on the First Issue Date (however for the avoidance of doubt no additional guarantees shall be issued under the Tryg guarantee facility after the First Issue Date); and
- (u) if not permitted by any of paragraphs (a) –(t) above, any other Financial Indebtedness which does not in aggregate at any time exceed DKK 15,000,000 (or its equivalent in any other currency).

**“Permitted Security”** means:

- (a) up until the Completion Date, any Security provided under the Existing Financing;
- (b) any Security created under the Security Documents or otherwise permitted pursuant to the Intercreditor Agreement;
- (c) any lien arising by operation of law and in the ordinary course of trading;
- (d) any Security over goods or documents of title to goods arising in the ordinary course of documentary credit transactions;
- (e) created as a retention of title by a seller in connection with the purchase of goods in the ordinary course of business;
- (f) any payment or close out netting or set-off arrangement (including for the purpose of cash management or cash pooling arrangement) pursuant to transactions in the ordinary course of business;
- (g) any encumbrance, netting or set-off arrangement entered into by any Group Company in connection with any treasury transaction;

- (h) any Security over or affecting any asset of any company which becomes a Group Company after the First Issue Date, where the Security is created prior to the date on which that company becomes a Group Company, if the Security was not created in contemplation of the acquisition of that company, the principal amount secured has not increased in contemplation of or since the acquisition of that company, the Security was not extended to any other assets of that company prior to the acquisition and the Security is removed or discharged within six months;
- (i) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a refinancing of the Bonds are intended to be received;
- (j) any Security created for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);
- (k) any Security securing Permitted Debt referred to under paragraphs (c) - (e), (j), (k), (m), (q) and (s) of the definition of Permitted Debt; and
- (l) any Security securing indebtedness the outstanding principal amount of which does not exceed DKK 10,000,000 (or its equivalent in any other currencies).

**“Quarter Date”** means the last day of each quarter of the Issuer’s financial year.

**“Quotation Day”** means, in relation to any period for which an interest rate is to be determined, two TARGET Days before the first day of that period.

**“Record Date”** means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, the date designated as the Record Date in accordance with the rules of the CSD from time to time; and
- (b) for the purpose of casting a vote in a Bondholders’ Meeting, the date falling on the immediate preceding Business Day to the date of that Bondholders’ Meeting being held.

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

**“Reference Bond Dealer”** means any primary bond dealer selected by the Issuer.

**“Reference Bond Dealer Quotations”** means the arithmetic average, as determined by the Issuer, of the bid and offer prices for the Comparable Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by any Reference Bond Dealer at 11.00 a.m. (Brussels time) on the third Business Day before the Redemption Date.

**“Reference Period”** means each period of 12 consecutive calendar months ending on a testing date.

**“Regulated Market”** means any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable.

**“Restricted Payment Test”** means the test set out in Clause 13(b).

**“Secured Obligations”** means all present and future obligations and liabilities of the Issuer to the Senior Secured Parties under the Senior Finance Documents.

**“Senior Secured Parties”** shall have the meaning given to such term in the Intercreditor Agreement.

**“Securities Account”** means the account for dematerialised securities maintained by the CSD pursuant to the Danish Securities Trading Act in which (i) an owner of such security is directly registered or (ii) an owner’s holding of securities is registered in the name of a nominee.

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

**“Security Agent”** means the security agent holding the Transaction Security on behalf of the Senior Secured Parties, being Nordic Trustee A/S on the First Issue Date.

**“Security Documents”** means:

- (a) a first priority pledge over the Escrow Account and all funds held on the Escrow Account (it being noted that unlike other Transaction Security, the pledge over the Escrow Account and all funds held on it will only secure the obligations under or in connection with the Bonds);
- (b) a first priority pledge of all shares in the Issuer, Tresu Investment A/S, Tresu A/S, Tresu Royce, Inc., and each Material Company;
- (c) first priority assignments by the Parent and the Issuer of its rights under any Structural Intra-Group Loans;
- (d) a charge over a mortgage in an amount of DKK 10,000,000 over a Tresu Concept Innovator F1 1100; and
- (e) negative pledge registered in the Danish Personal Register (in Danish: *Personbogen*) in respect of the Issuer and each other Guarantor incorporated in Denmark.

**“Senior Finance Documents”** shall have the meaning given to such term in the Intercreditor Agreement.

**“Senior Secured Parties”** shall have the meaning given to such term in the Intercreditor Agreement.

**“Shared Security”** means the Security created under the Security Documents (other than the pledge over the Escrow Account), being the Security over which the creditors under the Super Senior RCF, the creditors under any New Debt, the hedge counterparties under the Super Senior Hedges, the Security Agent, the Bondholders (represented by the Agent) and the Agent are granted first priority Security.

“**Shareholder Debt**” shall have the meaning given to such term in the Intercreditor Agreement.

“**Structural Intra-Group Loans**” means any loans granted by the Parent or the Issuer to any Group Company from time to time (i) with a principal amount in excess of DKK 10,000,000 (or the equivalent in other currencies at the date of establishment or increase of such loan) and (ii) with a term or actual duration of more than 12 months.

“**Subsequent Bond Issue**” shall have the meaning given to such term in Clause 2(e).

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

“**Subsidiary**” means an entity of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership and control for this purpose means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise.

“**Super Senior Debt**” shall have the meaning given to such term in the Intercreditor Agreement.

“**Super Senior Headroom**” shall have the meaning given to such term in the Intercreditor Agreement.

“**Super Senior Hedges**” means hedging transactions entered into by a Group Company in respect of payments to be made under the Bonds or for hedging exposures (including hedging exposures in relation to fluctuation in currency rates) arising in the ordinary course of business, but not for speculative or investment purposes, to the extent the hedging counterparty has acceded to the Intercreditor Agreement.

“**Super Senior RCF**” means (i) the Original Super Senior RCF (including any fees, underwriting discount premiums and other costs and expenses incurred with such financing) (as amended from time to time) or (ii) any other working capital facility agreement or similar agreement providing financing for general corporate purposes between any member of the Group replacing a super senior revolving credit facility in accordance with Clause 11.3 (*Super Senior RCF refinancing*) of the Intercreditor Agreement.

“**TARGET Day**” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

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

“**Transaction Costs**” means all fees, costs and expenses incurred by a Group Company in connection with costs in relation to acquisitions or investments, costs in relation to capital markets transactions, a Bond Issue, the Original Super Senior RCF, the Super Senior Hedges, the Transaction Security and the admission to trading of the Bonds (including but not limited to fees to the Joint Bookrunners and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds).

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

“**Tresu Royse Share Pledge**” means a New York law stock pledge over the shares in Tresu Royse, Inc., a Texas corporation with Texas Secretary of State file number 0033536800 being a Material Company.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*Written Procedure*).

## 1.2 Construction

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

## 2. Status of the Bonds

- (a) The Bonds are denominated in Euro and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.

- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Initial Bond is EUR 0.01 (the “**Nominal Amount**”). The maximum total nominal amount of the Initial Bonds is EUR 70,000,000. Each Bond in the CSD, will be registered with a minimum trading unit of EUR 100,000 (the “**Minimum Trading Unit**”), meaning that the Bonds can only be traded in portions having an aggregated nominal amount of EUR 100,000 or, if greater, an even multiple of EUR 0.01. In case a Bondholder who, as a result of a partial redemption (as specified in Clause 9.4 (*Voluntary partial redemption*) and Clause 9.5 (*Voluntary partial redemption upon an Equity Claw Back (call option)*)), holds an amount which is less than the Minimum Trading Unit in his account would need to purchase a principal amount of Bonds such that the aggregated Nominal Amount held by that investor, equals or exceeds the Minimum Trading Unit. A Bondholder who, as a result of trading such amounts, holds an amount which is less than the Minimum Trading Unit in its account with the CSD will not be able to sell the remainder of such holding without first purchasing a principal amount of the Bonds at or in excess of the Minimum Trading Unit such that its holding amounts to the Minimum Trading Unit or above. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is EUR 100,000.
- (e) The Issuer may, at one or several occasions after the First Issue Date, issue Subsequent Bonds (each such issue, a “**Subsequent Bond Issue**”), until the total aggregate amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals EUR 125,000,000 less any amounts repaid under Clause 9.4 (*Voluntary partial redemption*) and Clause 9.5 (*Voluntary partial redemption upon an Equity Claw Back (call option)*), always provided that the Debt Incurrence Test (tested *pro forma* including such issue) is met. Any Subsequent Bonds shall benefit from and be subject to these Terms and Conditions and the other Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds
- (f) The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* with (i) the Super Senior Debt and the New Debt pursuant to the Intercreditor Agreement, but will following an Enforcement Action (as defined in the Intercreditor Agreement) receive proceeds distributable by the Security Agent only after the Super Senior Debt has been repaid in full, and (ii) all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (g) The Bonds may not be offered, sold (directly or indirectly), delivered or otherwise transferred within or into the United States or to, or for the account or benefit of, U.S. Persons, absent registration or under an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. As used herein, the terms “United States” and “U.S. person” have the



meanings as given to them in Rule 902 of Regulation S under the U.S. Securities Act of 1933, as amended.

- (h) Except as described in Clause 2(g), subject to any restrictions to which a Bondholder may be subject due to local law or otherwise, the Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions as applicable from time to time under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.
- (i) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Denmark, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

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

- (a) Upon release from the Escrow Account, the amount standing to the credit on the Escrow Account shall be applied by the Issuer towards:
  - (i) *firstly*, repayment of principal and payment of accrued but unpaid interest and other costs and fees under or in relation to the Existing Financing;
  - (ii) *secondly*, payment of Transaction Costs; and
  - (iii) *thirdly*, general corporate purposes of the Group (including acquisitions).
- (b) The Net Proceeds from any Subsequent Bond Issue shall be applied by the Issuer towards general corporate purposes of the Group (including acquisitions).

### **4. Conditions Precedent**

- (a) The Issuer shall provide to the Agent, prior to the First Issue Date, the following:
  - (i) copies of the constitutional documents of the Issuer;
  - (ii) copies of necessary corporate resolutions (including authorisations) from the Issuer;
  - (iii) a duly executed copy of these Terms and Conditions;
  - (iv) a duly executed copy of the Agency Agreement;
  - (v) a duly executed copy of the Escrow Account Pledge Agreement together with documentation that all perfection requirements having been fulfilled; and
  - (vi) legal opinions on the capacity, due execution, validity and enforceability of the Terms and Conditions, the Agency Agreement and the Escrow Account Pledge Agreement issued by reputable law firm(s).

- (b) When the Agent is satisfied that it has received the conditions precedent to the First Issue Date set out in Clause 4(a) above, the Agent shall immediately instruct the Issuing Agent to promptly transfer the proceeds from the Initial Bonds to the Escrow Account. The Escrow Account will be blocked and pledged by the Issuer in favour of the Bondholders (as represented by the Agent) under the Escrow Account Pledge Agreement. The pledge over the Escrow Account shall be immediately released when the conditions precedent for disbursement have been received or waived by the Agent pursuant to Clause 4(c) below.
- (c) The Agent's approval of disbursement from the Escrow Account is subject to the following having been received by the Agent:
- (i) confirmation that the Original Super Senior RCF has been executed;
  - (ii) a copy of the executed Intercreditor Agreement;
  - (iii) a copy of the executed Security Documents (other than the Escrow Account Pledge Agreement and the Tresu Royce Share Pledge) and the Guarantee Agreement;
  - (iv) evidence that all documents, that shall be delivered to the Security Agent pursuant to the Security Documents (other than the Escrow Account Pledge Agreement and the Tresu Royce Share Pledge), have been (or will be immediately following repayment of the Existing Financing) delivered in accordance with the terms of such Security Document;
  - (v) any other executed Finance Documents (other than the Escrow Account Pledge Agreement and the Tresu Royce Share Pledge);
  - (vi) corporate documents for other Security providers and/or Guarantors other than the Issuer;
  - (vii) a release letter (including a delivery undertaking) entered into by the relevant parties under the Existing Financing confirming that the Security and guarantees in respect of the Existing Financing will be discharged upon repayment;
  - (viii) a funds flow statement signed by the Issuer to include the amount required to repay the Existing Financing (including all accrued but unpaid interest, break costs and other fees) on the Completion Date, (the "**Payment Instructions**");
  - (ix) the agreed form Compliance Certificate;
  - (x) legal opinions on the capacity, due execution, validity and enforceability of the Finance Documents not already opined on (other than the Tresu Royce Share Pledge) issued by reputable law firm(s); and
  - (xi) such other documents and information as is agreed between the Agent and the Issuer.
- (d) The Issuer shall procure that within 30 calendar days of the Completion Date, the following is delivered to the Agent:

- (i) Board/Shareholder Resolutions of Tresu Royse Inc.;
  - (ii) Secretaries Certificates of Tresu Royse Inc.;
  - (iii) Certified Certificate of Formation of Tresu Royse Inc.;
  - (iv) Good Standing Certificate of Tresu Royse Inc.;
  - (v) a copy of the executed Tresu Royse Share Pledge;
  - (vi) evidence that all documents, that shall be delivered to the Security Agent pursuant to the Tresu Royse Share Pledge, have been delivered in accordance with the terms of the Tresu Royse Share Pledge;
  - (vii) a copy of a UCC-1 Financing Statement;
  - (viii) copies of accession letters by Tresu Royse Inc. to the Guarantee Agreement and the Intercreditor Agreement;
  - (ix) legal opinions on the capacity, due execution, validity and enforceability in respect of Tresu Royse Inc., the Tresu Royse Share Pledge and the accession letters mentioned in item (d)(viii) above issued by reputable law firm(s); and
  - (x) such other documents and information as is agreed between the Agent and the Issuer.
- (e) The Agent does not have any obligation to review the documents and evidence referred to in Clause 4(a) or Clause 4(c) above from a legal or commercial perspective of the Bondholders. The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete and the Agent does not have to verify or assess the contents of any such documentation.
- (f) When the conditions precedent for disbursement set out in Clause 4(c) have been fulfilled to the satisfaction of the Agent (acting reasonably), the Agent shall immediately instruct the bank (with which the Issuer holds the Escrow Account) to promptly transfer the funds from the Escrow Account in accordance with the Payment Instruction, and the Agent shall thereafter or in connection therewith release the pledge over the Escrow Account.
- (g) If the conditions precedent for disbursement set out in Clause 4(c) have not been fulfilled on or before 60 calendar days following the First Issue Date, the Issuer shall redeem all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued but unpaid interest. The Agent may partly fund the redemption with the amounts standing to the credit on the Escrow Account.
- (h) The Issuer shall provide to the Agent, prior to the Issue Date of a Subsequent Bond Issue the following:
- (i) copies of constitutional documents of the Issuer;
  - (ii) copies of necessary corporate resolutions (including authorisations) from the Issuer; and

- (iii) a Compliance Certificate as set out in Clause 12.1(e).

## **5. Bonds in Book-Entry Form**

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Danish Securities Trading Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) The Issuer and the Agent to the extent permitted under applicable regulations, shall be entitled to obtain information on demand from the debt register kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (c) The Issuing Agent and the Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (d) The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

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

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

## **7. Payments in Respect of the Bonds**

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds requested by a Bondholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Bondholder on a Securities Account on the Record Date immediately preceding the relevant payment date.

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

## **8. Interest**

- (a) Each Initial Bond carries Interest at the Interest Rate from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (and including) the Interest Payment Date falling immediately prior to its issuance up to (but excluding) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it under the Finance Documents on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is one per cent higher than the Interest Rate for such Interest Period. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Issuing Agent or the CSD, in which case the Interest Rate shall apply instead.
- (e) Pursuant to the terms of the Intercreditor Agreement, following the occurrence of a Payment Block Event and for as long as it is continuing, no payment of principal or interest in respect of the Bonds shall be made to the Bondholders. However, interest shall continue to accrue during such period and any overdue amounts shall carry default interest pursuant to Clause 8(d). For the avoidance of doubt, the failure to repay principal or pay interest on a due date shall constitute an Event of Default.

## 9. Redemption and Repurchase of the Bonds

### 9.1 Redemption at maturity

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

### 9.2 Issuer's purchase of Bonds

The Issuer or any of its Subsidiaries may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way provided that if purchases are made through a tender offer, the possibility to tender must be made available to all Bondholders on equal terms (though the Issuer may decide to not make the tender available to investors in certain jurisdictions such as the US). The Bonds held by the Issuer or any Subsidiary pursuant to this Clause 9.2 may at its discretion be retained or sold but may not be cancelled.

### 9.3 Voluntary total redemption (call option)

The Issuer may redeem all, but not some only, of the outstanding Bonds in full at:

- (a) any time prior to the First Call Date, at an amount per Bond equal to the Make Whole Amount together with accrued but unpaid Interest;
- (b) any time from and including the First Call Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 102.50 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the first Business Day falling 48 months after the First Issue Date at an amount per Bond equal to 101.250 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (d) any time from and including the first Business Day falling 48 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.0 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

### 9.4 Voluntary partial redemption

Provided that the Bonds have been and remain listed on NASDAQ Copenhagen or any other Regulated Market, the Issuer may redeem the Bonds on one occasion per each 12 month period (without carry-back or carry forward) in a maximum cumulative amount not exceeding ten per cent. of the total aggregate amount of the Bonds outstanding from time to time annually, at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the call option amount set out in Clause 9.3 (*Voluntary total redemption (call option)*)) above for the relevant period) together with any accrued but unpaid Interest on the redeemed amounts. Partial redemption shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a *pro rata* basis.

### 9.5 Voluntary partial redemption upon an Equity Claw Back (call option)

- (a) The Issuer may, provided that the Bonds have been and remain listed on NASDAQ Copenhagen or any other Regulated Market and that at least 60 per cent of the aggregate amount of the Initial Bonds remain outstanding, on one or more occasion in connection with an Equity Listing Event, redeem in part up to 40 per cent. of the total aggregate Nominal Amount of the Bonds outstanding

from time to time at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the call option amount set out in Clause 9.3 (*Voluntary total redemption (call option)*) for the relevant period), together with any accrued but unpaid Interest on the redeemed amount.

- (b) Partial redemption shall reduce the aggregated Nominal Amount of Bonds held by each Bondholder on a *pro rata* basis.
  - (c) The repayment must occur on an Interest Payment Date within 180 days after such Equity Listing Event and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer as a result of such offering (net of fees, charges and commissions actually incurred in connection with such offering and net of taxes paid or payable as a result of such offering).
- 9.6 **Voluntary total redemption due to illegality (call option)**  
The Issuer may redeem all, but not some only, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 9.7 **Early redemption option due to a tax event**  
If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds pursuant to Clause 14.13 (*Taxation*) as a result of any change in, or amendment to, laws or regulations in Denmark, or any change in the interpretation or application of such laws or regulations, which amendment or change is effective on or after the First Issue Date, and the Issuer has or will become required to pay Additional Amounts in relation to any Bonds and this obligation cannot be avoided by reasonable measures available to the Issuer, the Issuer will have the right to redeem the relevant Bonds at a price equal to 103 per cent. of the Nominal Amount (or, if lower, the call option amount set out in Clause 9.3 (*Voluntary total redemption (call option)*) for the relevant period) together with accrued but unpaid Interest.
- 9.8 **Redemption notice**  
Redemption in accordance with Clauses 9.3 (*Voluntary total redemption (call option)*) to and including 9.7 (*Early redemption option due to a tax event*) shall be made by the Issuer giving not less than 20 Business Days' notice prior to the relevant Redemption Date to the Bondholders and the Agent and in accordance with the instructions of the Issuer or the Issuing Agent, as applicable. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in full with the applicable amounts.
- 9.9 **Mandatory repurchase due to a Change of Control Event, Listing Failure or Delisting (put option)**
- (a) Upon the occurrence of a Change of Control Event, Listing Failure or Delisting, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 60 calendar days following a notice from the Issuer of the Change of Control Event, Listing Failure or Delisting (as applicable), pursuant to Clause 12.1(c) (after which time period such right shall lapse). However, such period may not start earlier than upon the occurrence of the Change of Control, Listing Failure or Delisting (as applicable).
  - (b) The notice from the Issuer pursuant to Clause 12.1(c) shall specify the Redemption Date and include instructions about the actions that a Bondholder

needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 12.1(c). The Redemption Date must fall no later than 40 Business Days after the end of the period of 60 calendar days referred to in Clause 9.9(a) above, unless the non-payment:

- (i) is caused by technical or administrative error; and
  - (ii) is remedied within five Business Days from the due date.
- (c) If Bonds representing more than 75 per cent. of the Total Nominal Amount of the Bonds have been repurchased as a result of a Change of Control Event, Listing Failure or Delisting, the Issuer is entitled to repurchase all the remaining outstanding Bonds at the price stated in Clause 9.9(a) by notifying the remaining Bondholders of its intention to do so no later than 15 Business Days after the latest possible repurchase date as set out in Clause 9.9(a) above. Such prepayment may occur at the earliest on the tenth Business Day following the date of such notice.

#### 9.10 General

- (a) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9 by virtue of the conflict.
- (b) Any Bonds repurchased by the Issuer pursuant to this Clause 9 (other than Clause 9.9 (*Mandatory repurchase due to a Change of Control Event, Listing Failure or Delisting (put option)*)) may at the Issuer's discretion be retained or sold, but may not be cancelled.
- (c) Any Bonds repurchased by the Issuer pursuant to Clause 9.9 (*Mandatory repurchase due to a Change of Control Event, Listing Failure or Delisting (put option)*) may at the Issuer's discretion be retained, sold or cancelled.

### 10. Transaction Security and Guarantees

- (a) Subject to the Intercreditor Agreement and applicable limitation language, as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and the relevant Group Companies grants on or before the dates set out in Clause 4 (*Conditions Precedent*) the Transaction Security to the Bondholders (as represented by the Agent), the Agent and the other Senior Secured Parties.
- (b) Subject to the Intercreditor Agreement and applicable limitation language, each Guarantor will, as principal obligor, pursuant to the Guarantee Agreement guarantee the punctual fulfilment by the Issuer of the payment obligations under the Senior Finance Documents. The Guarantee Agreement shall be signed on or before the date set out in Clause 4 (*Conditions Precedent*).



- (c) The Issuer shall procure that each Material Company is a Guarantor and that any Material Company and any further Subsidiary so designated by the Issuer accedes to the Guarantee Agreement as a Guarantor, in order to ensure that the Guarantors constitute at least 80 per cent. of the consolidated EBITDA and total assets of the Group. In respect of any Material Company, such accession shall take place no later than 60 calendar days from the Subsidiary becoming a Material Company.
- (d) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Senior Secured Parties in accordance with the Security Documents, the Guarantee Agreement and the Intercreditor Agreement.
- (e) The Agent shall be entitled to give instructions (on behalf of the Bondholders) relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreement.
- (f) Unless and until the Security Agent has received instructions from the Instructing Party to the contrary, the Security Agent may (without first having to obtain the Bondholders' consent), be entitled (but not obliged) to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, releasing or enforcing the Transaction Security or for the purpose of settling the Bondholders', the creditors under the Super Senior RCF, the creditors under the New Debt, the hedge counterparties' under the Super Senior Hedges or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Security Documents, the Intercreditor Agreement and these Terms and Conditions and provided that such agreements or actions are not detrimental to the interests of the Bondholders.
- (g) Subject to the Intercreditor Agreement, the Security Agent may, acting on instructions of the Senior Secured Parties, or if in accordance with the Intercreditor Agreement, the Instructing Party, release Transaction Security and Guarantees in accordance with the terms of the Security Documents, the Guarantee Agreement and the Intercreditor Agreement. For the avoidance of doubt, any Transaction Security or Guarantee will always be released in such way which does not affect the sharing between the Bondholders, the creditors under the New Debt, the creditors under the Super Senior RCF and the hedge counterparties' under the Super Senior Hedges of the remaining Transaction Security and Guarantees and/or the ranking and priority of the Bondholders, the creditors under the New Debt, the creditors under the Super Senior RCF and the hedge counterparties' under the Super Senior Hedges as specified in the Intercreditor Agreement.

#### **11. Priority of the Super Senior RCF**

The relationship between the Bondholders, the creditors under the New Debt, the creditors in respect of the Super Senior RCF and the Super Senior Hedges will be governed by the Intercreditor Agreement, which, among other things, will implement the following principles:

##### *(a) Payment Block Event -payments*

Following a Payment Block Event and for as long as it is continuing, no payments may be made by the Issuer to the Bondholders under or in relation to the Bonds (notwithstanding any other provisions to the contrary herein). For the avoidance of doubt, the failure by the Issuer to timely make any payments

due under the Bonds shall constitute an Event of Default and the unpaid amount shall carry default interest pursuant to Clause 8(d).

(b) *Payment Block Event -repurchases*

Following a Payment Block Event and for as long as it is continuing, no repurchases of Bonds may be made by the Issuer or any Group Company for as long as a Payment Block Event is continuing. For the avoidance of doubt, the failure by the Issuer to timely repurchase the Bonds shall constitute an Event of Default and the unpaid amount carry default interest pursuant to Clause 8(d).

(c) *Priority of the Super Senior RCF in case of insolvency*

In the case of insolvency of the Issuer, the Financial Indebtedness incurred by the Issuer under the Bonds will be subordinated to the Financial Indebtedness owed by the Issuer under the Super Senior RCF and the Super Senior Hedges, in accordance with the terms of the Intercreditor Agreement.

(d) *Priority of the Super Senior RCF with respect to Shared Security*

In case of enforcement of the Shared Security, any enforcement proceeds will first be applied towards repayment of the Financial Indebtedness incurred by the Issuer under the Super Senior RCF and the Super Senior Hedges and secondly towards redemption of the Bonds.

(e) *Consultation period before enforcement of Shared Security*

If Conflicting Enforcement Instructions (as defined in the Intercreditor Agreement) are provided by the Agent or the agent under the Super Senior RCF, the Agent and the agent under the Super Senior RCF must enter into consultations for a period of maximum 30 calendar days as set out in the Intercreditor Agreement (unless the Transaction Security or the Guarantees have become enforceable as a result of an Insolvency Event (as defined in the Intercreditor Agreement) or such consultation is waived by the Agent and the agent under the Super Senior RCF.

## **12. Information to Bondholders**

### **12.1 Information from the Issuer**

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Issuer:
- (i) as soon as the same become available, but in any event within four months after the end of each financial year, the annual audited consolidated financial statements for that financial year of the Group prepared in accordance with the Accounting Principles;
  - (ii) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, the quarterly interim unaudited consolidated reports or the year-end report (as applicable) of the Group for such period (the first report covering the period ending on the last day of the calendar quarter in which the First Issue Date occurs) prepared in accordance with the Accounting Principles;

- (iii) as soon as practicable following an acquisition or disposal of Bonds by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Bonds cancelled by the Issuer; and
  - (iv) any other information required by Danish law, including but not limited to the Danish Securities Trading Act, and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) The Issuer shall in each quarterly interim report delivered, disclose the amount of Bonds cancelled or issued by the Issuer during the financial quarter pertaining to such report, provided that no such information shall be necessary if no Bonds have been cancelled or issued during the relevant financial quarter.
- (c) The Issuer shall immediately notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, Listing Failure or Delisting, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice.
- (d) When the Financial Report and other information are made available to the Bondholders pursuant to Clause 12.1(a), the Issuer shall send copies of such Financial Report and other information to the Agent.
- (e) The Issuer shall submit a Compliance Certificate to the Agent:
  - (i) upon the occurrence of an Incurrence Test Event; and
  - (ii) in connection with the delivery of each Financial Report under Clauses 12.1(a)(i) and 12.1(a)(ii) above to evidence what Group Companies are Material Companies.
- (f) The Issuer shall immediately notify the Agent upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (g) The Issuer is only obliged to inform the Agent according to this Clause 12.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 12.1.
- (h) When and for as long as the Bonds are listed, the Financial Reports mentioned in Clause 12.1(a) above shall be prepared in accordance with IFRS and made available in accordance with the rules and regulations of NASDAQ Copenhagen (as amended from time to time) and the Danish Securities Trading Act.

### 12.2 Information from the Agent

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

### 12.3 Publication of Finance Documents

- (a) The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest versions of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours. The Agent may charge the requesting Bondholder a reasonable administrative fee for making Finance Documents available.

## 13. Incurrence Tests

- (a) The Debt Incurrence Test is met if:
  - (i) the Leverage Ratio in respect of any Reference Period is:
    - (A) until and including the day falling two years after the First Issue Date, equal to or less than 5.00x; and
    - (B) thereafter, equal to or less than 4.50x.
  - (ii) no Event of Default is continuing or would occur upon the incurrence.
- (b) The Restricted Payment Test is met if:
  - (i) the Leverage Ratio in respect of any Reference Period is equal to or less than 3.00x; and
  - (ii) no Event of Default is continuing or would occur due to the Restricted Payment.

### 13.2 Calculation of Leverage Ratio

Leverage Ratio shall be calculated as follows:

- (a) The calculation shall be made as per a testing date, however, for EBITDA, in accordance with Clause 13.3 (*Adjustments to EBITDA*), determined by the Issuer, falling no more than one month prior to the incurrence of the new Financial Indebtedness or the Restricted Payment (as applicable).
- (b) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date, but include any new Financial Indebtedness, but exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

### 13.3 Adjustments to EBITDA

The figures for EBITDA set out in the Financial Report as of the most recent Quarter Date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that:

- (a) entities or business acquired or disposed
  - (i) during a test period; or
  - (ii) after the end of the test period but before the relevant testing date,

will be included or excluded (as applicable) pro forma for the entire test period; and
- (b) any entity or business to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period. This calculations shall be made taking into account any cost savings, synergies, integration and transaction costs reasonably projected by the Issuer (amounting to maximum ten per cent. of EBITDA for the Reference Period) as being obtainable within 12 months from the date of acquisition of that member of the Group, business or (as the case may be) assets provided that,
  - (i) such projected cost savings and synergies shall be without double counting for cost savings and synergies actually realised during such Reference Period; and
  - (ii) so long as such projected cost savings and synergies are projected to be realisable within 12 months from the date of acquisition, they shall be assumed to be realisable at any time during such twelve (12) months period.

### 13.4 Adjustments to Net Finance Charges

The figures for Net Finance Charges set out in the Financial Report as of the most recent Quarter Date (including when necessary, financial statements published before the First Issue Date), shall be used, but adjusted so that Net Finance Charges for such period shall be:

- (a) reduced by an amount equal to the Net Finance Charges directly attributable to any Financial Indebtedness of the Issuer or of any other Group Company repaid, repurchased, defeased or otherwise discharged with respect to the Issuer and the continuing Group Companies with the proceeds from disposals of entities referred to in Clause 13.3 (*Adjustments to EBITDA*) (or, if the Financial Indebtedness is owed by a Group Company that is sold, the Net Interest Payable for such period directly attributable to the Financial Indebtedness of such Group Company to the extent the Issuer and the continuing Group Companies are no longer liable for such Financial Indebtedness after such sale);
- (b) increased on a pro forma basis by an amount equal to the Net Finance Charges directly attributable to:
  - (i) any Financial Indebtedness owed by acquired entities or business referred to in Clause 13.3 (*Adjustments to EBITDA*), if the acquired debt is to be tested under the Debt Incurrence Test pursuant to paragraph (o) of the definition of “Permitted Debt” and

- (ii) any Financial Indebtedness incurred to finance the acquisition of such entities, in each case calculated as if all such debt had been incurred at the beginning of the relevant test period; and
- (c) increased on a *pro forma* basis by an amount equal to the Net Finance Charges directly attributable to any Financial Indebtedness permitted pursuant to paragraph (g) of the definition of “Permitted Debt”, calculated as if such debt had been incurred at the beginning of the relevant test period.

## 14. General Undertakings

### 14.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 14 for as long as any Bonds remain outstanding.

### 14.2 Restricted Payments

The Issuer shall not, and shall procure that no other Group Company will, (i) pay any dividends on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) make any payments in relation to the Shareholder Debt, (v) repay any subordinated debt, (vi) pay any management fees to direct and indirect shareholders of the Issuer in excess of DKK 8,000,000 in aggregate or (vii) make other distributions or transfers of value (in Danish: *udlodninger*) within the meaning of the Danish Companies Act to its direct or indirect shareholders (items (i)-(vii) above are together and individually referred to as a “**Restricted Payment**”), provided however:

- (a) that any such Restricted Payment can be made, if made to the Issuer or a wholly-owned Subsidiary of the Issuer or, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; and/or
- (b) a Restricted Payment may be made by the Issuer, if at the time of the payment:
  - (i) the Restricted Payment Test is fulfilled (calculated on a *pro forma* basis including the relevant Restricted Payment); and
  - (ii) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (a) above) in any fiscal year (including the Restricted Payment in question) does not exceed 50 per cent. of the Group’s consolidated net profit for the previous fiscal year adjusted for any distribution to any minority shareholder.

### 14.3 Change of Business

The Issuer shall maintain its holding company status and shall procure that no substantial change is made to the general nature of the business of the Group from that carried on as of the Completion Date if such change would have a Material Adverse Effect.

### 14.4 Financial Indebtedness

The Issuer shall not (and shall procure that no other Group Company will) incur, prolong, renew or extend any additional Financial Indebtedness, except any Financial Indebtedness that constitutes Permitted Debt.

- 14.5 Dealings at arm's length terms  
The Issuer shall, and shall procure that each other Group Company, conduct all dealings with persons, other than Group Companies, at arm's length terms.
- 14.6 Disposal of Assets
- (a) Subject to the terms of the Intercreditor Agreement, the Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of shares in any Material Company or of all or substantially all of its or a Material Company's assets, or operations to any person not being the Issuer or any of its wholly-owned Group Companies, unless the transaction is carried out at fair market value and provided that (i) it does not have a Material Adverse Effect, (ii) if the disposal proceeds exceed DK 25,000,000 (or its equivalent in other currencies), at least 75 per cent. of such disposal proceeds shall be in the form of cash.
- (b) No asset that is subject to Transaction Security may be disposed of other than in accordance with the terms of the Intercreditor Agreement.
- 14.7 Negative Pledge  
The Issuer shall not, and shall procure that no other Group Company, create or allow to subsist any Security over any of its assets, other than any Permitted Security.
- 14.8 Listing  
The Issuer shall use its best efforts to ensure that:
- (a) the Initial Bonds are listed on NASDAQ Copenhagen or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than 12 months after the First Issue Date;
- (b) any Subsequent Bonds are listed on NASDAQ Copenhagen or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, not later than two months after the relevant Issue Date; and
- (c) the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon for as long as any Bond is outstanding (however, taking into account any 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 of the redemption of the Bonds).
- 14.9 Pari Passu ranking
- (a) The Issuer shall ensure that its payment obligations under the Bonds at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them.
- (b) The Super Senior RCF and the Super Senior Hedges will in certain circumstances as set out in the Intercreditor Agreement rank with priority to the Bonds and the New Debt with respect to certain proceeds and payments.

#### 14.10 Mergers and demergers

- (a) Subject to the terms of the Intercreditor Agreement and paragraph (b) below, the Issuer shall not and shall procure that no Material Company will demerge or merge with an entity not being a Group Company if:
- (i) such merger or demerger is likely to have a Material Adverse Effect;
  - (ii) such merger or demerger would be prohibited as a disposal hereunder;
  - (iii) such merger involves the Issuer and the Issuer is not the surviving entity;
  - (iv) such merger involves a Guarantor and if the Guarantor is not the surviving entity, the surviving entity does not immediately become a Guarantor; or
  - (v) such merger or demerger involves shares in entities that are subject to Transaction Security unless the newly issued shares are also included in the Transaction Security.
- (b) Any demergers to separate business divisions is permitted provided that if it involves shares in entities that are subject to Transaction Security the newly issued shares are also included in the Transaction Security.

#### 14.11 Compliance with laws

The Issuer shall, and shall make sure that each Material Company:

- (a) comply with all laws and regulations applicable from time to time; and
- (b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Material Company,

in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

#### 14.12 Maintenance of environmental permits

The Issuer shall ensure that each Group Company in all material respects obtains, maintains and ensures compliance with all environmental permits or authorisations applicable from time to time and required for the Group's business where failure to do so would have a Material Adverse Effect.

#### 14.13 Taxation

The Issuer shall pay any stamp duty and other public fees accruing in connection with a Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax. If such withholding or deduction is required, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as are necessary in order to ensure that the net amount received by the relevant Bondholder, after such withholding or deduction, shall be equal to the respective amounts which would otherwise have been received in the absence of such withholding or deduction.



- 14.14 **Additional Security**  
Subject to any legal restrictions on granting of Security and/or guarantees, the Issuer shall and shall procure that each Group Company will provide security over the shares in any Subsidiary that becomes a Material Company for the obligations owed under the Finance Documents no later than 60 calendar days from the day that Subsidiary becomes a Material Company.
- 15. Events of Default and Acceleration of the Bonds**  
Each of the events or circumstances set out in this Clause 15 (other than Clause 15.10) is an event of default.
- 15.1 **Non-payment**  
The Issuer or a Guarantor fails to pay an amount on the date it is due in accordance with the Finance Documents unless the non-payment:
- (a) is caused by technical or administrative error; and
  - (b) is remedied within five Business Days from the due date.
- 15.2 **Conditions subsequent**  
The Issuer fails to deliver the documents and evidence required by, and in accordance with, Clause 4(d).
- 15.3 **Other Obligations**  
Any Group Company, fails to comply with or in any other way acts in violation of the Finance Documents to which such non-compliant entity is a party, in any other way than as set out in Clauses 15.1 (*Non-payment*) or Clause 15.2 (*Condition subsequent*), unless the non-compliance:
- (a) is capable of remedy; and
  - (b) is remedied within 15 Business Days of the earlier of the Agent giving notice and the relevant Group Company becoming aware of the non-compliance.
- 15.4 **Cross acceleration**  
Any Financial Indebtedness of a Group Company is not paid within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided that no Event of Default will occur under this paragraph if the aggregate amount of Financial Indebtedness is less than DKK 15,000,000 (or its equivalent in any other currency).
- 15.5 **Continuation of business**  
The Issuer or any other Group Company ceases to carry on its business or in the case of a merger or demerger as stipulated in Clause 14.10 (*Mergers and demergers*), if such discontinuation is likely to have a Material Adverse Effect.
- 15.6 **Insolvency**  
Any Material Company is, or is deemed for the purposes of any applicable law to be, Insolvent.
- 15.7 **Insolvency Proceedings**  
Any corporate actions, legal proceedings or other procedures are taken (other than (A) proceedings which are vexatious or frivolous or are being disputed in good faith and are

discharged within 90 calendar days, and (B), in relation to Subsidiaries of the Issuer, solvent liquidations) in relation to:

- (a) the suspension of payments, winding-up, reorganisation or similar (by way of voluntary arrangement or otherwise) of any Material Company; and
- (b) the appointment of a liquidator, administrator, or other similar officer in respect of any Material Company or any of its assets or any analogous procedure.

#### 15.8 Creditors' Process

Any attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Company having an aggregate value equal to or exceeding DKK 15,000,000 (or its equivalent in any other currency) and not discharged within 60 calendar days.

#### 15.9 Impossibility or Illegality

It becomes impossible or unlawful for the Issuer or any other Group Company to fulfil or perform any of the provisions of the Finance Documents or the Transaction Security created or expressed to be created thereby is varied or ceases to be effective (subject to the Legal Reservations) and such invalidity, ineffectiveness or variation has a detrimental effect on the interests of the Bondholders.

#### 15.10 Acceleration of the Bonds

- (a) This Clause 15.10 (*Acceleration of the Bonds*) is subject to the Intercreditor Agreement.
- (b) Upon the occurrence of an Event of Default which is continuing the Agent is entitled to, on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not only some, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines (but such date may not fall after the Final Maturity Date), and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (c) The Agent may not accelerate the Bonds in accordance with Clause 15.10(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders' Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (d) The Agent shall notify the Bondholders of an Event of Default within five Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within 20 Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default (or may lead to an Event of Default).
- (e) If the Bondholders representing more than 50 per cent of the Adjusted Nominal Amount instruct the Agent in writing to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as, in the

opinion of the Agent, may be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.

- (f) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (g) In the event of an acceleration of the Bonds in accordance with this Clause 15.9, the Issuer shall, redeem all Bonds at an amount equal to the redemption amount specified in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable considering when the acceleration occurs together with any accrued but unpaid Interest.

**16. Distribution of Proceeds**

All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 15 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or Guarantees shall be distributed in accordance with the terms of the Intercreditor Agreement. Any proceeds received from an enforcement of the Escrow Account Pledge Agreement shall be distributed to the Bondholders only.

**17. Decisions by Bondholders**

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Bondholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
  - (i) on the Business Day specified in the notice pursuant to Clause 18(c), in respect of a Bondholders' Meeting; or

- (ii) on the Business Day specified in the communication pursuant to Clause 19(c), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least 66 2/3 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):
  - (i) any material amendments of the terms of the Intercreditor Agreement;
  - (ii) any amendments to paragraphs (a), (e), (f), (g) and (i) of Clause 2 (*Status of the Bonds*);
  - (iii) any amendments to Clauses 9.3 (*Voluntary total redemption (call option)*) to and including Clause 9.7 (*Early redemption option due to a tax event*);
  - (iv) any waiver of a breach of, or amendment to, an undertaking set out in Clause 14 (*General Undertakings*);
  - (v) any amendments to Clause 16 (*Distributions of proceeds*);
  - (vi) any release the security or guarantee provided under the Security Documents or the Guarantee Agreement (other than in accordance with the Finance Documents);
  - (vii) a reduction of the principal amount, interest rate or interest amount which shall be paid by the Issuer;
  - (viii) any amendment of any payment day for principal or interest amounts or any waiver of a breach of a payment undertaking; or
  - (ix) any amendment to the provisions regarding the majority requirements under the Terms and Conditions.
- (f) Any matter not covered by Clause 17(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 20(a)(i) or (20(a)(iii))), an acceleration of the Bonds or the enforcement of any Transaction Security.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 50 per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 17(e), and otherwise 20 per cent. of the Adjusted Nominal Amount:

- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18(a)) or initiate a second Written Procedure (in accordance with Clause 19(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 17(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All reasonable costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies, irrespective of whether such person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The

minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

#### **18. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 18(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.4(c), the Issuer shall no later than five Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 18(a).
- (c) The notice pursuant to Clause 18(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) agenda for the meeting (including each request for a decision by the Bondholders) and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than 15 Business Days and no later than 30 Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

#### **19. Written Procedure**

- (a) The Agent shall instigate a Written Procedure no later than five Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 19(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least 15

Business Days from the communication pursuant to Clause 19(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.

- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 17(e) and 17(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17(e) or 17(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **20. Amendments and Waivers**

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may (subject to the terms of the Intercreditor Agreement) agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) in the opinion of the Agent and/or as confirmed by a reputable external expert engaged by the Agent (if the Agent reasonably considers it necessary to engage such expert), such amendment or waiver is not detrimental to the interest of the Bondholders as a group
  - (ii) such amendment or waiver is made solely for the purpose of rectifying obvious errors and mistakes;
  - (iii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
  - (iv) such amendment will not negatively affect the Bondholders or the Agent and is necessary for the purpose of the listing of the Bonds pursuant to Clause 14.8 (*Listing*); or
  - (v) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published on its website in the manner stipulated in Clause 12.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority and that any amendments to the Finance Documents are published on its website in the manner stipulated in Clause 12.3 (*Publication of Finance Documents*).
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.

## 21. Appointment and Replacement of the Agent

### 21.1 Appointment of Agent

- (a) The Issuer appoints the Agent to act as representative (in Danish: *fuldmægtig og repræsentant*) on behalf of and for the benefit of the Bondholders pursuant to Chapter 2a of the Danish Securities Trading Act (and, upon the Act on Capital Markets becoming effective, Chapter 4 of the Act on Capital Markets) and in accordance with the terms of the Intercreditor Agreement. The Agent accepts such appointment. The Agent shall be registered with the Danish Financial Supervisory Authority (in Danish: *finanstilsynet*) in accordance with the Danish Securities Trading Act and the Issuer and the Agent shall provide all information required by the Danish Financial Supervisory Authority.
- (b) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, each Bondholder is bound by these Terms and Conditions and any other Finance Document, without any further action required to be taken or formalities to be complied with. The Agent has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Terms and Conditions and the Transaction Security Documents, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent) that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### 21.2 Duties of the Agent

- (a) The Agent shall represent the Bondholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security and Guarantees pursuant to the Security Documents and Guarantee Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security and/or Guarantees on behalf of the Bondholders. The Agent is not responsible for the content, valid execution, perfection, legal validity or enforceability of the Finance Documents.



- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent's duties under this Agreement are solely mechanical and administrative in nature and the Agent only acts in accordance with these Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in these Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other person.
- (d) The Agent is not obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Terms and Conditions and the other Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties (without having to first obtain any consent from the Issuer or the Bondholders), but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Issuer and the Agent. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 16 (*Distribution of Proceeds*).
- (h) Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 21.2(i).

#### 21.3 Limited liability for the Agent

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

#### 21.4 Replacement of the Agent

- (a) Subject to Clause 21.4(f), the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 21.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- (c) A Bondholder (or Bondholders) representing at least ten per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- (d) If the Bondholders have not appointed a successor Agent within 90 days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (f) The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent which shall be registered with the Danish Financial Supervisory Authority (in Danish: *finanstilsynet*) in accordance with the Danish Securities Trading Act and (ii) the acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22. Appointment and Replacement of the Issuing Agent**

- (a) The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the Danish Securities Trading Act and any other legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.

- (b) The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

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

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security or Guarantees to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 23(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with these Terms and Conditions to take certain actions but is legally unable to take such actions (however, any action taken by a Bondholder must always be permitted under the Intercreditor Agreement).

### **24. Prescription**

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

### **25. Notices**

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered in the register of representatives with the Danish Financial Supervisory Authority on its website [www.finanstilsynet.dk](http://www.finanstilsynet.dk) or any successor website on the Business Day prior to dispatch, or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
  - (ii) if to the Issuer, shall be given at the following address:
    - (A) Tresu Investment Holding A/S

Eegsvej 14  
 Agtrup  
 DK-6091 Bjert  
 Denmark; or

- (B) if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
- (iii) if to the Bondholders, shall be sent to the Bondholders via the CSD with a copy to the Issuer, the Agent and, if the Bonds are listed, the Regulated Market.
- (b) Any notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (c) Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 25(a) or, in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25(a) or, in case of email, when received in readable form by the email recipient.

## **26. Force Majeure and Limitation of Liability**

- (a) Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and willful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

## **27. Governing Law and Jurisdiction**

- (a) These Terms and Conditions shall be governed by and construed in accordance with the laws of Denmark, without regard to its conflict of law provisions.
- (b) The Agent, the Issuer and the Guarantors agree for the benefit of the Agent and the Bondholders that the City Court of Copenhagen shall have jurisdiction with respect to any dispute arising out of or in connection with these Terms and Conditions. The Issuer and the Guarantors agree for the benefit of the Agent and the Bondholders that any legal action or proceedings arising out of or in connection with these Terms and Conditions against the Issuer, the Guarantors or any of its or their respective assets may be brought in such court.
- (c) Paragraph (b) is for the exclusive benefit of the Agent and the Bondholders and the Agent have the right:

- (i) to commence proceedings against the Issuer or any Guarantor or its/their respective assets in any court in any jurisdiction; and
- (ii) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

*[The remainder of this page has intentionally been left blank]*

We hereby certify that the above terms and conditions are binding upon ourselves.

Place: COPENHAGEN

Date: 22/9-2017

**Tresu Investment Holding A/S**

as Issuer



Name: THOMAS WESTERMANN

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place:

Date:

**Nordic Trustee A/S**

as Agent and Security Agent

---

Name:

We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date:

**Tresu Investment Holding A/S**

as Issuer

---

Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place: *Copenhagen*

Date:

**Nordic Trustee A/S**

as Agent and Security Agent

NT



Name: *JACOB AREWARDER*



**APPENDIX B - CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED  
30 JUNE 2018**

**Consolidated interim financial information of Tresu Investment  
Holding A/S for the financial period 1 January – 30 June 2018**

## Contents

	<b><u>Page</u></b>
Statement by Management on the interim consolidated financial information	3
The independent auditor's review report on the interim consolidated financial information	4
Consolidated income statement for the period 01.01.2018-30.06.2018	6
Consolidated balance sheet at 30.06.2018	8
Consolidated cash flow statement for H1 2018	10
Note 1 Accounting policies	11

## **Statement by Management on the interim consolidated financial information**

The Board of Directors and the Executive Board have today considered and approved the interim consolidated financial information of Tresu Investment Holding A/S for the financial period 1 January – 30 June 2018.

The interim consolidated financial information is prepared in accordance with the recognition and measurement criteria as stated in Note 1 Accounting policies.

In our opinion, the interim consolidated financial information give a true and fair view of the Group's assets, liabilities and financial position at 30 June 2018 and of the results of their operations and cash flows for the financial period 1 January - 30 June 2018.

Kolding, 18 September 2018

### **Executive Board**

Søren Maarssø

Heidi Thousgaard Jørgensen

### **Board of directors**

Carsten Nygaard Knudsen  
Chairman

Ola Harald Ericsi

Thomas Stegeager Kvorning

Anders Wilhjelm

Søren Dan Johansen

## **The independent auditor's review report on the interim consolidated financial information**

### **To the shareholders of Tresu Investment Holding A/S**

We have reviewed the interim consolidated financial information of Tresu Investment Holding A/S for the period 1 January – 30 June 2018, which comprise the income statement, balance sheet, cash flow statement, and accounting policies as described in note 1.

### **Management's responsibility for the interim consolidated financial information**

Management is responsible for the preparation of interim consolidated financial information in accordance with accounting policies as described in Note 1 and for such internal control as Management determines is necessary to enable the preparation of interim consolidated financial information that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the interim consolidated financial information. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the interim consolidated financial information, taken as a whole, are not prepared in all material respects in accordance with the accounting policies as described in note 1. This also requires us to comply with relevant ethical requirements.

A review of interim consolidated financial information in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim consolidated financial information.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial information is not prepared in all material respects in accordance with the accounting policies as described in note 1.

**Emphasis of Matter – Accounting policies**

We draw attention to note 1 to the interim consolidated financial information which describes the accounting policies applied. As described in Note 1 the interim consolidated financial information is not in all respect prepared in accordance with IFRS as adopted by the EU, IAS 34, *Interim financial reporting*, or the Danish executive order on interim financial reports, thus the interim consolidated financial information does not include full disclosures in accordance with International Financial Reporting Standards or any other applicable financial reporting framework. Our opinion is not modified in respect of this matter.

Kolding, 18 September 2018

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Lars Leopold Larsen  
State-Authorised Public Accountant  
MNE no mne33229

## Consolidated income statement for the period 01.01.2018-30.06.2018

	H1 2018 DKK'000	1/1-31/12# 2017 DKK'000	H1# 2017 DKK'000
Revenue	184.605	286.159	17.570
Production costs*	-245.969	-260.039	-14.582
<b>Gross profit/loss</b>	<b>-61.364</b>	<b>26.120</b>	<b>2.988</b>
Research and development costs	-15.480	-3.301	-104
Distribution costs	-24.290	-19.187	-1.103
Administrative costs**	-36.228	-36.479	-14.376
<b>Operating profit/loss</b>	<b>-137.362</b>	<b>-32.847</b>	<b>-12.595</b>
Financial income	44	241	54
Financial expenses***	-15.650	-27.314	-2.453
<b>Profit/loss before tax</b>	<b>-152.968</b>	<b>-59.920</b>	<b>-14.994</b>
Tax on profit/loss for the year****	33.723	7.486	263
<b>Profit for the year</b>	<b>-119.245</b>	<b>-52.434</b>	<b>-14.731</b>
Items that may be recycled subsequently to the income statement:			
Exchange rate adjustments, foreign companies	2.710	-1.316	0
Tax on other comprehensive income	0	0	0
Other comprehensive income, net of tax	2.710	-1.316	0
<b>Total comprehensive income</b>	<b>-116.535</b>	<b>-53.750</b>	<b>-14.731</b>
Profit for the year attributable to:			
Owners of the Company	-119.245	-52.434	-14.731
Total comprehensive income for the year attributable to:			
Owners of the Company	-116.535	-53.750	-14.731

## Consolidated income statement for the period 01.01.2018-30.06.2018

	<b>H1</b>	<b>1/1-31/12<sup>#</sup></b>	<b>H1<sup>#</sup></b>
	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>DKK'000</b>	<b>DKK'000</b>	<b>DKK'000</b>
Amounts related to the acquisition of Tresu Investment and other non-recurring items:			
* Increased depreciations on assets acquired (PPA)	38.414	36.039	1.897
* Impairment of Machines and buildings (PPA)	17.853	0	0
* Increased production costs from revaluation of inventory in PPA	0	6.200	0
**Other expenses	4.978	16.181	13.231
***Borrowing costs	0	17.701	2.436
*** Interest corporate bonds	13.192	6.587	0
**** Tax regarding other expenses, borrowing costs and corporate bonds	-3.997	-5.487	-404
**** Adjustments deferred tax related to PPA	-12.551	-9.239	-486
	<u>57.889</u>	<u>67.982</u>	<u>16.674</u>

# As of 21 June 2017 the parent company of the legacy Tresu Group, Tresu Investment A/S was acquired by Tresu Investment Holding A/S. The income statement for the financial year 1/1-31/12 2017 therefore only includes business activity for the period 21 June 2017 – 31 December 2017, and the income statement for H1 2017 only includes business activity for period 21 June – 30 June 2017.



## Consolidated balance sheet at 30.06.2018

	H1 2018 DKK'000	1/1-31/12 2017 DKK'000	H1 2017 DKK'000
Goodwill*****	249.000	249.000	249.000
Completed development projects	58.609	55.762	57.346
Patents	208.314	216.377	223.678
Brand*****	37.900	37.900	37.900
Customer relationship	183.588	198.144	211.934
Order backlog	0	12.750	24.829
<b>Intangible assets</b>	<b>737.411</b>	<b>769.933</b>	<b>804.687</b>
Land and buildings	16.753	27.246	27.763
Plant and machinery	22.803	32.239	32.987
Other fixtures and fittings, tools and equipment	7.725	5.257	4.577
Leasehold improvements	701	766	792
<b>Property, plant and equipment</b>	<b>47.982</b>	<b>65.508</b>	<b>66.119</b>
Deferred tax assets	17.730	1.240	404
Deposits	452	312	299
<b>Other non-current assets</b>	<b>18.182</b>	<b>1.552</b>	<b>703</b>
<b>Non-current assets</b>	<b>803.575</b>	<b>836.993</b>	<b>871.509</b>
Inventories	121.680	133.235	91.834
Trade receivables	56.929	50.516	55.577
Contract work in progress	107.255	175.551	190.947
Tax receivables	1.878	1.878	8.507
Other short-term receivables	13.715	7.602	63
Prepayments	3.946	2.449	2.067
<b>Receivables</b>	<b>305.403</b>	<b>371.231</b>	<b>348.995</b>
<b>Cash</b>	<b>6.905</b>	<b>10.550</b>	<b>74.667</b>
<b>Current assets</b>	<b>312.308</b>	<b>381.781</b>	<b>423.662</b>
<b>Assets</b>	<b>1.115.883</b>	<b>1.218.774</b>	<b>1.295.171</b>

\*\*\*\*\*The Purchase Price Allocation has been changed in June 2018. The valuation of Brand changed from 56,3 mDKK to 37,9mDKK, changing the valuation of goodwill from 230,6 mDKK to 249 mDKK. 31/12 2017 is restated accordingly.

## Consolidated balance sheet at 30.06.2018

	<b>H1 2018 DKK'000</b>	<b>1/1-31/12 2017 DKK'000</b>	<b>H1 2017 DKK'000</b>
Contributed capital	2.922	2.922	2.857
Other reserves	2.710	-1.316	0
Retained earnings	166.305	236.865	268.070
<b>Equity</b>	<b>171.937</b>	<b>238.471</b>	<b>270.927</b>
Provisions for deferred tax	126.105	137.805	131.337
Other provisions	4.847	1.340	1.282
Corporate bonds	516.070	515.409	0
Finance lease liabilities	149	164	136
Other payables	6.859	7.204	7.411
<b>Non-current liabilities</b>	<b>654.030</b>	<b>661.922</b>	<b>140.166</b>
Current portion of long-term lease liabilities	40	208	1.654
Current portion of long-term other payables	1.071	1.071	548.293
Bank debt	90.899	67.523	24.217
Payable group company	334	0	0
Contract liabilities	10.094	3.911	90.488
Trade payables	144.885	202.301	161.097
Income tax payable	0	5.713	17.157
Other payables	42.593	37.654	41.172
<b>Current liabilities</b>	<b>289.916</b>	<b>318.381</b>	<b>884.078</b>
<b>Total liabilities</b>	<b>943.946</b>	<b>980.303</b>	<b>1.024.244</b>
<b>Equity and liabilities</b>	<b>1.115.883</b>	<b>1.218.774</b>	<b>1.295.171</b>

## Consolidated cash flow statement for H1 2018

	<b>H1 2018 DKK'000</b>	<b>1/1-31/12 2017 DKK'000</b>	<b>H1 2017 DKK'000</b>
Operating profit/loss	-137.362	-32.847	-12.595
Amortisation, depreciation and impairment losses	62.196	41.492	2.271
Other provisions	3.417	1.230	-1.282
Working capital changes	20.435	-77.590	-47.731
<b>Cash flows from ordinary operating activities</b>	<b>-51.314</b>	<b>-67.715</b>	<b>-59.337</b>
Financial income received	44	241	54
Financial expenses paid	-15.650	-27.314	-2.453
Income taxes refunded/(paid)	0	-2.095	0
<b>Cash flows from operating activities</b>	<b>-66.920</b>	<b>-96.883</b>	<b>-61.736</b>
Acquisition etc. of intangible assets	-8.255	-1.742	0
Acquisition etc. of property, plant and equipment	-3.905	-2.495	0
Acquisition etc. of financial fixed assets	-128	-312	0
Acquisition etc. of companies	0	-762.800	-817.597
<b>Cash flows from investing activities</b>	<b>-12.288</b>	<b>-767.349</b>	<b>-817.597</b>
Loans raised	0	510.000	751.785
Instalments loan	-292	-510.000	-107.660
Overdraft facility	25.303	67.523	24.217
Capital increase	50.000	292.171	285.608
Corporate bonds	552	515.038	0
<b>Cash flows from financing activities</b>	<b>75.563</b>	<b>874.732</b>	<b>953.950</b>
<b>Increase/decrease in cash and cash equivalents</b>	<b>-3.645</b>	<b>10.500</b>	<b>74.617</b>
Cash and cash equivalents 01.01.2018	10.550	50	50
Exchange rate			
<b>Cash and cash equivalents 30 June 2018</b>	<b>6.905</b>	<b>10.550</b>	<b>74.667</b>
Cash and cash equivalents at 30 June are composed of:			
Cash	6.905	10.550	74.667
<b>Cash and cash equivalents 30 June 2018</b>	<b>6.905</b>	<b>10.550</b>	<b>74.667</b>

## Note 1 Accounting policies

This interim consolidated financial information have been prepared in accordance with recognition and measurement criteria as applied by the Group in its consolidated financial statements for 2017 and disclosed on

[https://www.tresu.com/media/Annual\\_Report\\_2017\\_TRESU\\_Investment\\_Holding\\_AS.pdf](https://www.tresu.com/media/Annual_Report_2017_TRESU_Investment_Holding_AS.pdf)

(International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.). The interim consolidated financial information has not been prepared in accordance with the full disclosure requirements, IAS34 *Interim Financial Reporting* or the Danish executive order on interim financial reports (“Delårsrapportbekendtgørelsen”).

Since the publishing of the Group’s financial statements for 2017 IFRS9 and IFRS15 has become mandatorily effective for accounting period that begins on 1 January 2018.

Effects of IFRS9 has been analysed and it has been concluded that the standard only have an insignificant effect on recognition and measurement due to low credit exposure on receivables, including debtors.

Effects of IFRS15 has also been analysed and it has been concluded that the standard only has an insignificant effect on recognition and measurement concerning shipping to customers and no effect on other recognition and measurement concerning revenue.

Accordingly, the implementation of IFRS9 and IFRS15 did not impact the results, assets or equity for the period.

All other accounting policies except for those affected by IFRS9 and IFRS15 are consistent with those applied for the Group’s financial statements for 2017 as published on [https://www.tresu.com/media/Annual\\_Report\\_2017\\_TRESU\\_Investment\\_Holding\\_AS.pdf](https://www.tresu.com/media/Annual_Report_2017_TRESU_Investment_Holding_AS.pdf)

**APPENDIX C - COMBINED INCOME STATEMENT FOR 1 JANUARY 2017 – 31 DECEMBER  
2017**

**Combined income statement of Tresu Investment Holding A/S  
for the financial period 1 January – 31 December 2017**

## Contents

	Page
Introduction to the combines income statement	3
Statement by Management on the combined income statement	4
The independent auditor's review report on the combined income statement	5
Combined income statement for the financial period 1 January – 31 December 2017	7
Note 1 Accounting policies	8

## **Introduction to the combined income statement**

Tresu Investment Holding A/S acquired the Tresu Investment A/S and its subsidiaries (Tresu Group) 21 June 2017. Tresu Investment Holding A/S did not have any material assets or liabilities prior to the acquisition of Tresu Investment A/S.

The combined income statement for 1 January 2017 – 31 December 2017 is set out to give a meaningful presentation of the business activities for a 12 month period, since the acquisition date of Tresu Investment Holding A/S was 21 June 2017, and therefore the consolidated income statement as presented in the annual report for 2017 of Tresu Investment Holding A/S only includes business activities for the period 21 June 2017 – 31 December 2017. The combined income statement for 2017 comprises a combination of the consolidated income statement of Tresu Investment A/S for the period 1 January 2017 – 20 June 2017 (“before acquisition”) and the consolidated income statement of Tresu Investment Holding A/S for the period 21 June 2017 – 31 December 2017 (“after acquisition”).

The consolidated income statement of Tresu Investment A/S (“before acquisition”) for the period 1 January 2017 – 20 June 2017 is derived from the internal consolidated financial statements for Tresu Investment A/S for the period 1 January 2017 – 20 June 2017. The consolidated income statement for the period 21 June 2017 – 31 December 2017 (“after acquisition”) is derived from the audited financial statements for Tresu Investment Holding A/S for 2017 contained in the annual report for 2017 of Tresu Investment Holding A/S that is available on the company’s website [https://www.tresu.com/media/Annual\\_Report\\_2017\\_TRESU\\_Investment\\_Holding\\_AS.pdf](https://www.tresu.com/media/Annual_Report_2017_TRESU_Investment_Holding_AS.pdf).

The combined income statement reflects a change in accounting entity from Tresu Investment A/S to Tresu Investment Holding A/S in connection with Tresu Investment Holding A/S acquiring Tresu Investment A/S as of 21 June 2017. The acquisition has been accounted for in accordance with IFRS 3 Business combinations as stated in note 33 in the audited financial statements for 2017 for Tresu Investment Holding A/S. Among other things, this resulted in recognition of substantial intangible assets, which are subject to amortization beginning from 21 June 2017. In addition, a majority of the purchase price was financed by bank borrowings and issuance of bonds, whereby the income statement is also impacted by increased financing costs from 21 June 2017. The combined income statement for 1 January 2017 – 31 December 2017 does not include these items for the period 1 January 2017 – 20 June 2017 (“before acquisition”). These matters should be noted in the assessment of the combined income statement for 2017, and will in itself result in material deviations to future income statements.



## **Statement by Management on the combined income statement**

In the following *Combined income statement for the financial period 1 January – 31 December 2017* Management presents the combined income statement on the basis of the adjustments and assumptions set out in note 1, Accounting policies, which illustrates the result of operations of the business activities of the Tresu Group for the 12 month period 1 January 2017 – 31 December 2017. The combined income statement has been prepared solely for use in the Prospectus, and is not be used for any other purpose.

The combined income statement is prepared based on the stated criteria described in *Introduction to combined income statement* and in accordance with the recognition and measurement criteria as stated in note 1, Accounting policies.

Management believes that the presented combined income statement has been properly compiled and that it has in all material respects been presented based on the stated criteria and in accordance with the recognition and measurement criteria as stated in note 1, Accounting policies. It should be noted that the combined income statement solely reflects an illustrative calculation of the matters set out. Actual future financial statements may differ materially from this information.

Kolding, 28 June 2018

### **Executive Board**

Søren Maarssø

Michael Kjøbsted

### **Board of directors**

Carsten Nygaard Knudsen  
Chairman

Ola Harald Erici

Thomas Stegeager Kvorning

Anders Wilhjelm

Søren Dan Johansen

The independent auditor's review report on the combined income statement

### **To the shareholders of Tresu Investment Holding A/S**

We have reviewed the combined income statement of Tresu Investment Holding A/S for the period 1 January – 31 December 2017 as outlined in *Introduction to combined income statement*, which comprise the income statement, and accounting policies as described in note 1.

### **Management's responsibility for the combined income statement**

Management is responsible for the preparation of combined income statement in accordance with accounting policies as described in note 1 and for such internal control as Management determines is necessary to enable the preparation of combined income statement that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the combined income statement. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the combined income statement, taken as a whole, are not prepared in all material respects in accordance with the accounting policies as described in note 1. This also requires us to comply with relevant ethical requirements.

A review of combined income statement in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the combined income statement.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the combined income statement is not prepared in all material respects in accordance with the accounting policies as described in note 1.

**Emphasis of Matter – Accounting policies and basis for preparation**

We draw attention to the section *Introduction to combined income statement* and to note 1 to the combined income statement which describes the accounting policies applied and basis for preparation. As described in note 1 the combined income statement does not comprise a complete set of financial statements prepared in accordance with IFRS as adopted by the EU, thus the combined income statement does not comprise all financial statements and all disclosures required by International Financial Reporting Standards or any other applicable financial reporting framework. Our opinion is not modified in respect of this matter. The combined income statement is prepared for use in the Prospectus, and is not be used for any other purpose.

Kolding, 28 June 2018

**Deloitte**

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Lars Leopold Larsen

State-Authorised Public Accountant

MNE no mne33229

## Combined income statement for the financial period 1 January – 31 December 2017

DKK'000	Before acquisition 1/1 - 20/6 2017	After acquisition 21/6 - 31/12 2017	Total for combined entity 1/1 - 31/12 2017
Revenue	331.627	286.159	617.786
Production cost*	-236.995	-260.039	-497.034
<b>Gross profit</b>	<b>94.632</b>	<b>26.120</b>	<b>120.752</b>
Research and development costs	-1.730	-3.301	-5.031
Distribution costs	-18.725	-19.187	-37.912
Administrative costs**	-21.623	-36.479	-58.102
<b>Operating profit/loss</b>	<b>52.554</b>	<b>-32.847</b>	<b>19.707</b>
Financial income	5	241	246
Financial expenses***	-871	-27.314	-28.185
<b>Profit/loss before tax</b>	<b>51.688</b>	<b>-59.920</b>	<b>-8.232</b>
Tax on profit/loss****	-12.692	7.486	-5.206
<b>Profit for the year</b>	<b>38.996</b>	<b>-52.434</b>	<b>-13.438</b>
Items that may be recycled subsequently to the income statement:			
Exchange rate adjustments, foreign companies	1.099	-1.316	-217
Tax on other comprehensive income	0	0	0
Other comprehensive income, net of tax	1.099	-1.316	-217
<b>Total comprehensive income</b>	<b>40.095</b>	<b>-53.750</b>	<b>-13.655</b>
Profit for the year attributable to:			
Owners of the Company	38.996	-52.434	
Total comprehensive income for the year attributable to:			
Owners of the Company	40.095	-53.750	

\*, \*\*, \*\*\*, \*\*\*\*: The impact on these line items by the change in accounting entity from Tresu Investment A/S to Tresu Investment Holding A/S in connection with Tresu Investment Holding A/S acquiring Tresu Investment A/S is explained in note 1.

## Note 1 Accounting policies

As outlined in *Introduction to combined income statement* the combined income statement comprises a combination of the consolidated income statement of Tresu Investment A/S for the period 1 January 2017 – 20 June 2017 derived from the internal consolidated financial statements for Tresu Investment A/S for the period 1 January 2017 – 20 June 2017 and the consolidated income statement of Tresu Investment Holding A/S for the period 21 June 2017 – 31 December 2017 derived from the audited consolidated financial statements contained in the annual report for Tresu Investment Holding A/S for 2017.

This combined income statement have been prepared in accordance with recognition and measurement criteria as applied by Tresu Investment Holding A/S in its consolidated financial statements for 2017 contained in the annual report for Tresu Investment Holding A/S for 2017 that is available on the company's website [https://www.tresu.com/media/Annual\\_Report\\_2017\\_TRESU\\_Investment\\_Holding\\_AS.pdf](https://www.tresu.com/media/Annual_Report_2017_TRESU_Investment_Holding_AS.pdf) (International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.).

The combined income statement reflects a change in accounting entity from Tresu Investment A/S to Tresu Investment Holding A/S in connection with Tresu Investment Holding A/S acquiring Tresu Investment A/S as of 21 June 2017. The acquisition has been accounted for in accordance with IFRS 3, Business combinations, as stated in note 33 in the audited financial statements for 2017 for Tresu Investment Holding A/S. Among other things, this resulted in recognition of substantial intangible assets, which are subject to amortization beginning from 21 June 2017. In addition, a majority of the purchase price was financed by bank borrowings and issuance of bonds, whereby the income statement is also impacted by increased financing costs from 21 June 2017. The combined income statement for 1 January 2017 – 31 December 2017 does not include these items for the period 1 January 2017 – 20 June 2017 (“before acquisition”) as specified below.

	<b>Before acquisition 1/1 - 20/6 2017 DKK'000</b>	<b>After acquisition 21/6 - 31/12 2017 DKK'000</b>	<b>Total for combined entity 1/1 - 31/12 2017 DKK'000</b>
Amounts related to the acquisition of Tresu Investment:			
*Increased depreciation on assets acquired (PPA)	-	36.042	36.042
* Increased production costs from revaluation of inventory in PPA	-	6.200	6.200
**Other expenses	-	16.181	16.181
***Borrowing costs	-	17.701	17.701
*** Interest corporate bonds	-	6.587	6.587
**** Tax regarding other expenses, borrowing costs and corporate bonds	-	-5.487	-5.487
**** Adjustment of deferred tax related to PPA	-	-9.293	-9.293
	-	67.931	67.931