



**Hawk Debtco Limited**

relating to the listing of

EUR 110,000,000 Senior Secured Fixed Rate Bonds due 2024

ISIN: NO0010911928

Issuing Agent and Sole Bookrunner



Prospectus dated 20 January 2022 and valid for a maximum up until 20 January 2023. The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid.

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Hawk Debtco Limited (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a private limited company incorporated in Scotland, having its registered office located at the address, 3 Queen's Road, Aberdeen, AB15 4YL, United Kingdom, with reg. no. SC431042, in relation to the application for the listing of the senior secured fixed rate bonds denominated in EUR (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). Pareto Securities AB has acted as issuing agent and sole bookrunner in connection with the issue of the Bonds (the "**Sole Bookrunner**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004 (the "**Delegated Regulation**"). The Regulation and the Delegated Regulation are jointly referred to as the "**Prospectus Regulations**".

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") as the competent authority under the Regulation. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 72 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

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

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

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

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

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

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

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

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## **RISK FACTORS**

*Risk factors deemed to be of importance for the Group's business and future development and risks relating to the Bonds are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the Terms and Conditions. The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "RISKS RELATING TO THE GROUP", are categorised as risk factors pertaining to the Group and not as risk factors pertaining to the Issuer, as the major part of the business operations in the Group are conducted by the Issuer's subsidiaries. The materiality of the risk factors is disclosed by the use of a qualitative ordinal scale of low, medium or high. The assessment of the materiality of the risk factors have been based on the probability of their occurrence and the expected magnitude of their negative impact.*

### **RISK RELATING TO THE GROUP**

#### **Market specific risks**

*High level risk*

#### **Coronavirus disease (COVID-19) risks**

The 2019 novel coronavirus ("**COVID-19**") outbreak is currently having an indeterminable adverse impact on the world economy. COVID-19 was reportedly first discovered in Wuhan, Hubei Province, China, in 2019, and the World Health Organization declared COVID-19 a pandemic on 11 March 2020. The COVID-19 outbreak has become a widespread health crisis, which may in turn result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. In particular, in February to April 2020 the COVID-19 outbreak caused stock markets worldwide to lose significant value and impacted economic activity worldwide. The trading price of the Bonds, once issued, may therefore be adversely affected by the economic uncertainty caused by COVID-19.

Further, the COVID-19 outbreak has also had an adverse effect on the Group's operations as a global provider of specialist engineering, inspection, operations and maintenance services to the renewables, industrial, oil and gas markets. The Group operates on several markets in various jurisdictions all over the world and, therefore, it is necessary for the Group to comply with various regulations and governmental recommendations in order to be able to continue its various operations. There is a risk that complying with such regulations and/or governmental regulations would have an adverse effect on the Group's business, earnings or financial position. The Group's services are, to a large extent is considered to be essential services, Therefore, the Group has this far been able to avoid disruptions and does currently not anticipate any material disruptions in the future. However, there is a risk that the Group will be affected by Covid-19 related disruptions in the future which would have an adverse effect on the Group's business, earnings or financial position.

Furthermore, the COVID-19 pandemic has caused a decrease in oil prices and a decline in demand on oil and gas related services. If the COVID-19 pandemic continues over an extended period of time, this may have a material adverse effect on the Group's business, financial position and results.

*Medium level risk*

#### **Risks relating to the acquisition of Alpha Offshore**

In connection with the Group's acquisition of Alpha Offshore Service A/S ("**Alpha Offshore**"), the vendor via Lund Family Holding ApS (the "**Lund Family**") and the Issuer's indirect subsidiary Sparrows Offshore Services Limited ("**Sparrows Offshore**") entered into a shareholder agreement and certain ancillary documents thereto regarding the shares in Sparrows Denmark ApS and Alpha Offshore stipulating the conditions of the joint ownership (the "**Shareholder Agreement**"). Pursuant to the Shareholder Agreement, the Lund Family may, in certain circumstances, exercise a put option (which is exercisable after the final redemption date of the bonds) with respect to its shares whereby the Lund Family may sell its shares at a price equal to the fair market value to Sparrows Offshore with an obligation for Sparrows Offshore to purchase such shares (the "**Put Option**") and where Sparrows Offshore have a call option right to purchase the Lund Family's shares either in connection with an exit or otherwise at a price equal to the fair market value. Moreover, the Lund Family and Sparrows Offshore have entered into a joint share pledge agreement whereunder the shares in Alpha Offshore have been pledged for each parties' claims towards Sparrows Denmark ApS, Alpha Offshore and the claims that the parties have towards each other (the "**Joint Share Pledge Agreement**").

In connection with the acquisition, Sparrows Offshore provided loans to Sparrows Denmark ApS in an amount of DKK 100,000,000 and may further provide a loan facility of EUR 1,700,000, respectively, and the Lund Family provided a loan to Sparrows Denmark ApS in an amount of approximately DKK 48,000,000. In addition, the Shareholders Agreement gives Sparrows Offshore a right to require that the Lund Family lends back the amount of any dividend granted by Sparrows Denmark ApS (the "**Dividend Loan**") up to an aggregate amount of DKK 52,000,000 and the loan amounts to approximately DKK 36,500,000 (excluding interest) as per December 2020.

The Lund Family is, pursuant to the terms of the Shareholder Agreement, entitled to an additional loan note if the Lund Family's shares have not been acquired by Sparrows Offshore by August 2022 in an amount of EUR 5,600,000, and thereafter an additional fee of EUR 400,000 which will accrue each month from February 2023 up until December 2024 whereby the total fee could potentially amount to EUR 14,800,000. Any claims that the Lund Family have towards the Sparrows group (including the additional fees pursuant to the Shareholder Agreement) will be payable by Sparrows Offshore upon the occurrence of an exit, if the Lund Family exercise the Put Option or if an insolvency event occurs in Sparrows Denmark ApS. In such case the Bondholders claim will, to some extent, be structurally subordinated to the claims from the Lund Family and the Lund Family will also be entitled to exercise its rights under the Joint Share Pledge Agreement to satisfy its claims against the Group. In case of an enforcement of the Joint Share Pledge Agreement, or otherwise a sale of Sparrows Denmark ApS, where the proceeds received are not sufficient to repay the loans from the Lund Family and Sparrows Offshore, the Dividend Loan will receive payments first and the other loans will receive payments thereafter on a *pro rata* basis.

Should an insolvency event in Sparrows Denmark ApS occur this would have a material adverse effect to the Issuer's business and financial position. Additionally, the claims that the Lund Family have towards the Group (including the additional fees pursuant to the Shareholder Agreement) could have an adverse effect on the recovery Bondholders would receive in connection with an enforcement of the security granted by the Group pursuant to the Bonds.

*Medium level risk*

#### **Risks relating to global macroeconomic conditions and natural disasters**

The Group is active in a number of regions. Some of these are politically volatile, such as Angola, Brazil, Congo and Kazakhstan. For instance, Brazil is currently experiencing national turbulence, e.g. with regard to nation-wide bribing investigations of both officials and companies, as well as general political instability and Angola is also experiencing political turbulence, especially in the Cabinda province, in

which the Group operates, where there has been a decades-long conflict. Changes in the legislative, political, regulatory and economic framework in the regions in which the Group carries out business could have a material impact on exploration, production and development activity or adversely affect the Group's operations directly or indirectly, which in turn could adversely affect the Group's business, financial condition, and results of operations. Changes in political regimes or political instability may also negatively affect the Group's operations in foreign countries, as well as risk of war, other armed conflicts and terrorist attacks. In addition to risks of war and/or terrorist attacks on supplier's properties and the products of the Group, natural disasters, especially in respect of extreme weather conditions that may occur in the Group's offshore business, may cause the Group's products and services harm which would have a material adverse effect on the Group's business and results.

Furthermore, fluctuations in supply and demand on key trade routes for the Group such as Asia to Europe or Asia to North America could adversely affect the Group's business, financial position and result of operation. A lengthy economic downturn, a decline in the gross domestic product growth rate and world import and export levels, and other geopolitical events could adversely affect the global transportation industry and trigger a decrease in demand for the Group's services. If any such event occurs this would have a material adverse effect on the Group's business, financial position and results.

#### *Medium level risk*

#### **Oil and gas market risk**

Demand for the Group's products and services in connection with production and exploration in the oil and gas sector can be negatively affected by a number of factors including, but not limited to, decreases in oil and gas prices, the supply and demand for oil and petroleum products, global and regional economic and political conditions which affect the demand for hydrocarbons, fluctuations in investments in offshore developments and unsatisfactory exploration results. On the supply side, there is uncertainty when it comes to the level of construction of new production units, the upgrading and maintenance of existing production units, the level of future demobilisation activity and alternative uses for equipment as market conditions change. Historically, demand for offshore exploration, development and production has been volatile and linked to the price of hydrocarbons. Low oil prices typically lead to a reduction in exploration as oil companies' scale down their own investment budgets, which in turn would adversely affect the demand for the Group's services and products in the oil and gas sector. The vast majority of the Group's revenues are linked to oil production as opposed to exploration, and as a result, the Group's business has less direct exposure to oil price cyclicality. Although, the Group has less direct exposure to oil price cyclicality as the Group's services are focused on production as opposed to exploration, a long-term decline in the oil or gas prices, may lead to pricing pressure on the Group's services. The probability of options being exercised, existing contracts being extended or new contracts being obtained, as well as the terms of new contracts, may be negatively affected by reduction in actual reservoir reserves or in low oil and gas prices generally, which in turn could adversely affect the Group's business, financial position and results.

Further, the level of activity in some geographic areas of the oil and natural gas industry, such as North America, Europe and Asia, are influenced by seasonal weather patterns. Wet weather and spring thaw may make the ground unstable resulting in municipalities and state transportation departments enforcing road bans that restrict the movement of offshore facilities and other heavy equipment and consequently reducing activity levels. Wet weather, cold weather and high sea states can also disrupt offshore activities, and lead to projects being delayed. There is also seasonality in the demand for the goods and services of the Group as the demand for natural gas rises during cold winter months and decreases during hot summer months. Seasonal factors, unexpected weather patterns and/or other

restrictions in production or exploitation may lead to declines in exploration and production activity or customer demand, which would have an adverse effect on the Group's business, financial position and results.

A future decrease in the global demand for oil or gas is likely to have a detrimental effect on investments initiated by oil or gas companies. This may in turn have a material adverse effect on the Group's business, financial condition, results of operations and cash flows and could therefore have a negative effect on the trading price of the Bonds and the bondholder's rights to receive payments under the Bonds.

*Medium level risk*

### **Competition risks**

The oil and gas services industry, the renewables services industry and the industrial services industry are all highly competitive industries and include many global companies. Companies in the Group's existing markets compete by price, availability, time-to-delivery, health and safety, innovations and quality of services, but also by other competitive factors such as capacity of providing services, up-to-date technology and market penetration. The Group has a number of competitors across different product categories, segments and geographic markets and there is a risk that additional competitors will enter the Group's existing markets. It cannot be ruled out that these competitors will grow to be stronger in the future, for example, by means of further consolidation in the market. If the Group is not successful in its ability to be competitive against its competitors, this could have an adverse effect on the Group's business, earnings or financial position.

*Medium level risk*

### **Risks relation to health and safety and reputation**

The Group's business is subject to occupational health and safety rules. Failure to comply with occupational health and safety rules that govern the Group's business could lead to fines or monetary penalties being levied on the Group. The Group may also be exposed to negative publicity and incur higher operating costs as a result of changes carried out in its business in order to comply with the rules. Furthermore, the Group has a strong reputation on being a market leader in respect of health and safety in various areas of the Group's business. Should any accidents occur where the Group's health and safety standards is not met, in particular if several accidents would occur in a short period of time, this may harm the Group's reputation as a market leader in this respect. The occurrence of one or more of these circumstances would have an adverse effect on the Group's business, financial position and results.

In addition, the transportation of the Group's personnel carry health and safety risks and the Group is exposed to the risk of losses and reputational damage from safety incidents and accidents in relation to such transportations. In particular, there is a risk for personnel harm in relation to the transportation of the Group's personnel by helicopter to offshore facilities. Transportation by helicopters inherently involves a degree of risk. Mechanical failure or pilot error could cause crashes or collisions and may result in personal injury, loss of life, damage to property and equipment. Failure to prevent or respond to a major safety incident could adversely impact the Group's reputation and results.

*Low level risk*

### **Brexit risk**

Following a national referendum, the government of the United Kingdom ("**UK**") served notice to leave the European Union (the "**EU**") under Article 50 of the Treaty of the European Union ("**Brexit**"). The UK left the EU on 31 January 2020 subject to a deal limited transitional arrangement. The UK and the EU entered into a trade and cooperation agreement on 31 December 2020 (the "**Brexit Deal**"). However, there will likely continue to be uncertainty around the future relationship between the UK and the EU and it is difficult to anticipate the potential impact Brexit might have on the Group's business, financial condition and results.

The uncertainty after the Brexit Deal is also expected to increase market volatility and may have an economic impact on the countries in which the Group operates, particularly in the UK and the Eurozone. It is still too early to assess the impact of Brexit as it is unclear as to how the UK's trading relationships with the EU and other significant trading partners will progress in the future.

In addition, Brexit could have a material adverse effect on the Group's UK business which represents a significant portion of the Group's operating revenues. The impact of Brexit on the Group is not clear and will be dependent on the type of future relationship that is struck between the UK and the EU. Should any uncertainty arise in respect of the Brexit Deal, this could have far-reaching implications for the Group, particularly in the area of costs associated with import/export arrangements for the Group's services including custom duties on purchases and sales and delays and increased compliance costs in the supply chain. Furthermore, if free movement is restricted this may adversely affect the Group's ability to utilise its trained engineers, experts and other personnel when providing services in the EU. Any deterioration in market access or trading terms including customs duties, taxes or other tariffs that constitute real cost, delay or restrictions to the provision of services and increased administration may materially adversely affect the Group's business, financial condition and results.

The ongoing uncertainty also impacts the British Pound ("**GBP**"). It is expected that the ongoing uncertainty around the future relationship with the EU will cause GBP to continue to be volatile against major currencies, including the US Dollar and Euro. Since the Issuer's and most of its subsidiaries' reporting currency is GBP, depreciation of GBP may have an adverse effect on revenues, EBITDA and cashflows reported in other currencies than GBP and devaluation of the Group's consolidated balance sheet assets.

*Low level risk*

### **Risks relating to military campaigns, terrorist activity and security**

The Group operates in a number of countries throughout the world, including countries subject to greater uncertainty in respect of risks relating to military campaigns and terrorist activities, such as Angola, Congo and Nigeria. Any military strikes or sustained military campaigns in areas or regions of the world where the Group has operations may affect the business of the Group in unpredictable ways, including forcing the Group to increase security measures and/or causing disruptions of supplies, decrease in the demand for the Group's services, loss of property and incapacitation of employees. Further, like other industrial companies, the facilities of the Group may be the target of terrorist activities. Damage to infrastructure or employees being direct or indirect targets of acts of war or terrorism could result in a decrease in revenues for the Group and entail additional costs for the replacement, repairs and insurance of the Group's assets.

In certain regions, in which the Group operates business in, the Group is exposed to risks of piracy activity and other security risks, such as kidnappings of the Group's employees. In particular, the Group is exposed to such security risks in its business on offshore facilities. Employees being direct or indirect targets of such attacks could result in a decrease in revenues for the Group and such security risk incidents could adversely impact the Group's reputation, business, financial position and results.



*Low level risk*

### **Risks relating to exploration, development and production**

Oil and natural gas operations inherently involve many unforeseeable risks that not even a combination of experience, knowledge and careful evaluation may be able to overcome. The long-term commercial success of the Group's oil and gas services depends on its ability to explore and develop its existing products and services in connection with exploration and production of oil and gas, and select and acquire new suitable products and services, without the continual addition of customers, the Group's business relating to oil and gas will decline over time. Moreover, there is a risk that the management of the Group may determine that current markets, terms of acquisitions, participation or pricing conditions make potential acquisitions or participations not favourable.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations and adversely affect the Group's income. Field operating risks include, but are not limited to, delays or increased costs in obtaining governmental approvals or consents, shut-ins of customers connected wells resulting from e.g. extreme weather conditions, insufficient storage or transportation capacity, and other geological and mechanical conditions. There is a risk for production delays and declines from normal field operating conditions, which can negatively affect revenue and cash flow levels.

Furthermore, oil and natural gas exploration, development and production operations are subject to typically associated risks and hazards, including, but not limited to, fire, explosion, blowouts, cratering, sour gas releases, and spills or other environmental hazards. These risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property, the environment and result in personal injury. Further, oil and natural gas production operations are also associated with typical risks such as encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Other operating risks include, but are not limited to, the breakdown or failure of equipment, information systems or processes, operator errors, labor disputes, fires, explosions, fractures, acts of terrorists and saboteurs, and other similar events.

These risks, individually or combined, would, if materialised, have a material adverse effect on the Group's business, financial position and results.

*Low level risk*

### **Renewables market risk**

The Group has since its acquisition of Alpha Offshore in 2017 shifted focus into more renewable energy. Following the acquisition of Alpha Offshore the Group has, in addition to its services in the oil and gas market and the industrial market, developed a presence within the onshore and offshore wind turbine services industry. Demand for the Group's products and services in the onshore and offshore wind turbine service industry can be negatively affected by a number of factors including, but not limited to, decreases in the price of electricity, electricity certificates and other benefits, which in turn would adversely affect the products and services provided by the Group in the renewable energy sector. Generally, there is a risk of a long-lasting decline in or continued low level for energy prices. The price of electricity certificates depends on the balance between the supply of renewable energy generated by renewable power producers and the demand for renewable energy regulated by law, thus also on the development of renewable energy and statutory quotas.

Furthermore, there is a risk that the Group will not achieve expected growth in terms of its renewables services. Growth in the Group's renewables business is dependent on expansion and growth in general of the wind energy market, i.e. in order to achieve further growth the Group is dependent, in part, on installment of new wind turbines, on which the Group can provide services. Investments in new wind power production has historically been and still remains dependent (as is the case for new investments in many other power production technologies) on economic incentives to be competitive with already existing electricity-producing assets in the market. Should the renewables energy market not develop at the pace, or at all, as expected by the Group, this would have an adverse effect on the Group's business, financial position and results.

Further, the level of activity in some geographic areas of the renewables service industry, such as Europe and North America are influenced by seasonal weather patterns. Wet weather, cold weather and high sea states can lead to projects being delayed. Seasonal factors, unexpected weather patterns and/or other restrictions may lead to declines in renewables services activity or customer demand, which would have an adverse effect on the Group's business, financial position and results.

*Low level risk*

### **Environmental risk**

The sectors to which the Group provides services to, e.g. services in connection with exploration and production of oil and gas and the offshore wind turbine industry, are subject to environmental regulation pursuant to a variety of international conventions, state and municipal laws and regulations surrounding the oil and gas industry and the onshore and offshore wind turbine industry. Compliance with such regulations can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental laws may result in a material increase in the costs of operating the units on which the Group provides services to, or otherwise adversely affect the Group's financial condition, results of operations and prospects. Furthermore, environmental laws may result in a material increase in the costs for the services provided by the Group. There is a risk that the Group will not, in the short-term, be able to add such increased costs on its customers which would have an adverse effect on the Group's earnings and financial position.

*Low level risk*

### **Climate change, alternatives to and changing demand for oil, petroleum and gas products**

Alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for oil, gas and other liquid hydrocarbons which in turn may decrease demand for the Group's products and services in connection with the production and exploration in the oil and gas sector. Furthermore, increasing regulatory demands and international treaties governing the commitment to the decrease of carbon dioxide emissions could reduce the demand for oil and/or gas which could have an adverse effect on the Group's business. Furthermore, the Group cannot predict the impact of changing demand for oil and natural gas related products and services, and any major changes would have a material adverse effect on the Group's business, financial position and results.

### **Group and business specific risks**

*High level risk*

**Risks relating to customer contracts**

The Group is exposed to risks in relation to its customers contracts. The Group occasionally enters into fixed price contracts with some of its customers. There is a risk that such fixed price contracts may, for example, be unprofitable due to underestimation of costs. If the Group is unable to pass any such increased costs further on to its customers, or if the Group cannot increase sales volumes to offset higher costs than expected by the Group, this may have an adverse effect on the Group's results.

There is also a risk if the Group were to lose any of its larger contracts with key customers, such as framework agreements entered into with such key customers, or if any adverse change occurred in its commercial relationship with any of its key customers. Should such commercial relationship cease, or decrease to a high degree, this could have a material adverse impact on the Group's business, financial condition or results.

Furthermore, some of the Group's customer contracts contain provisions that permits early termination by the customer, including framework agreements with key customers. The loss of one or more of these contracts could have an adverse effect on the Issuer's earnings and results.

*Medium level risk*

**Risk relating to contractual liabilities and contract principles in the industrial sector**

The Group is exposed to a general increased level of liabilities, i.e. consequential losses, warranty and performance risks and gross negligence and/or willful misconduct risks, due to that such increased liabilities are more common place within the industrial sector, and especially in the oil and gas industry, in which the Group conducts its business in. This is further increased by the Group's international operations as the Group operates in various jurisdictions and may therefore be liable in such jurisdictions should any contractual liabilities materialise. Should any unidentified or unmitigated risk in relation to contractual liabilities in the industrial sector materialise, this could have an adverse impact on the Group's financial position and results.

*Medium level risk*

**Risk relating to IT infrastructure**

The Group depends on information technology to manage critical business processes, including administrative functions. The Group uses IT systems for internal purposes and externally in relation to its subcontractors and customers. Extensive downtime of network servers, attacks by IT-viruses or other disruptions or failure of information technology systems are possible and could have a negative impact on the Group's business. As the Group is a multi-national service provider in the energy sector, the Group may be subject to failure of the Group's information technology systems across various regions. Failure of the Group's information technology systems could cause transaction errors and loss of customers as well as sales, and could have negative consequences for the Group, its employees, and those with whom the Group cooperates.

*Medium level risk*

**Risks relating to employees**

The future operating results of the Group depend to a large extent upon the continued contributions of its senior management and personnel and, therefore, the Group depends largely on its ability to recruit, train, motivate, retain and replace highly skilled employees, and to some extent consultants. However, there is fierce competition for employees with the level of experience and qualifications in

the business that the Group depends upon, which could result in significantly increased personnel costs. Accordingly, it may be increasingly difficult for the Group to hire and/or retain qualified personnel. Furthermore, the Group rely, to some extent, on employees hired under flexible contracts, e.g. contracts with variable pay structures, especially in respect of overseas employees in its oil and gas services. Should the Group not be able to maintain flexible contracts in the future this may have an adverse effect on the Group's personnel costs.

If the Group cannot recruit, train, retain and/or motivate and replace qualified personnel, it may be unable to compete effectively in its current business and the successful implementation of the Group's strategies may be limited or prevented, which in each case could have an adverse effect on the Group's business, financial position and results.

*Medium level risk*

#### **Risk of liability and Insurance risk**

The operation of the Group's business, such as its products and services on offshore units, represents a potential risk of major losses and liabilities, death or injury of persons and property damage caused by adverse weather conditions, mechanical failures, human error, war, terrorism, and other circumstances or events. An accident involving any of the Group's units could result in loss of revenue, fines or penalties, higher insurance costs and damage to the Company's reputation. In the event of casualties, accidents or a catastrophic event, the Group will rely on its comprehensive insurance programs with leading insurance providers structured with a view to offer optimal protection and compensation emanating from both legislative and contractual requirements. There is a risk that the scope of the coverage for the entire range of risks to which the Group is exposed to, may not cover all risks that materialise within the Group's business, resulting in the total amount of the Group's losses not being compensated by the Group's insurances in case of damages. Further, certain types of losses are unable to be insured and will, therefore, not be covered by the Group's insurances. There is also the possibility that, in the future, the Company may be unable to procure similar adequate insurance coverage on favourable terms, or at all. Hence, there is a risk that the Group will be required to pay for any losses, damages and liabilities leading to adverse effects on the Group's business, financial position and results.

*Medium level risk*

#### **Reputational risks**

The Group's business involves providing services to the oil and gas industry, the renewable energy industry and the industrial industry. The reputation of the Group is important in maintaining the confidence of existing and potential customers and thus maintaining the demand for the products and services offered by the Group. In particular, the Group is dependent on its strong reputation on being a market leader in respect of health and safety standards in various areas of the Group's business.

In particular, the oil and gas industry, has been subject to media scrutiny and media may, from time to time, publish stories and cite examples of health and safety issues, environmental issues and unethical business conducted by companies in the Group's market. Such negative publicity may have an adverse effect on the demand for the products and services offered by the Group, thus impairing the ability to maintain existing customers and attract new customers. In addition, negative media publicity may incentivise further legislation and regulations concerning the market in which the Group operates, leading to increased compliance costs for the Group. Therefore, increased negative media publicity may have an adverse effect on the Group's business, financial position and results.

Negative publicity or announcements relating to the Group may, regardless of whether justified, deteriorate the brands' value and have a negative effect on the Group's business, financial position and results.

*Low level risk*

### **Transaction risk**

From time to time the Group evaluates potential acquisitions that are in line with the Group's strategic objectives, especially in the renewables and industrial markets, and the Group has also made such acquisitions in the past, e.g. the acquisition of Alpha Offshore. Furthermore, acquisitions in the US and Europe may be contemplated, from time to time, to accelerate growth, in particular in respect of the Group's renewables business. There is a risk that there are unforeseen costs in past or future acquisitions due to, but not limited to, financial, managerial and operational risks, such as a diversion of management's attention from existing core business and difficulties when integrating or separating businesses from existing operations and handling technical issues, official decisions, the occurrence of disputes related to acquisitions, which are unknown to the Group and that such unidentified risks will have an adverse effect on the value of such acquisitions and thus, the Group's business, financial position and results.

There is a risk that future acquisition activities will present certain financial, managerial and operational risks, including difficulties when integrating or separating businesses from existing operations and challenges presented by acquisitions which does not achieve profitability that justify the investments made by the Group. In particular, certain risks relating to this may occur when integrating or separating businesses in different regions and/or jurisdictions. If the ongoing or future acquisitions are not successfully integrated, there is a risk that the Group's business, financial condition and results of operations will be adversely affected and that such acquisitions will be less profitable than expected. There is also a risk that future acquisitions will result in the incurrence of debt, contingent liabilities, amortisation costs, impairment of goodwill or restructuring charges, any of which will have an adverse effect in the Group's business, financial position and results.

*Low level risk*

### **Risks relating to subcontractors and logistics**

The Group is dependent upon the ability of its subcontractors to provide key materials, components, finished products and services, often custom-made, which meet specifications, quality standards and delivery schedules of the Group. The Group has processes to qualify subcontractors and investigates their financial position. Regardless of this, the Group could become liable for delays or deficiencies by its subcontractors and might not be in a position to reclaim full coverage from the subcontractor e.g. due to the adverse effect or if the subcontractor becomes insolvent. Difficulties the Group encounters with such subcontractors could adversely affect the Group's production schedules, liabilities towards clients and reputation, which in turn would adversely affect the Group's business, financial position and results.

The Group uses a number of subcontractors in its business, many of whom are based and operate in emerging markets. If subcontractors stop working with the Group or if they are unable to supply their services for any other reason (including social, political or economic reasons commonly associated with developing economies) and the Group is unable to adequately replace such subcontractor within the desired period or ensure continued product quality and on conditions favourable to the Group, this could result in increased costs or delays and adversely affect the Group's long-term reputation among its customers which would adversely affect the Group's business, financial position and results.

*Low level risk*

### **Risk relating to accreditations and certifications**

The Group's business and growth is dependent on the Group's ability to obtain and retain a number of accreditations and certifications for certain professional categories. In particular, the Group is dependent on receiving accreditations in respect of e.g. health and safety standards and for its onshore and offshore inspection activities, such as the International Organization for Standardization (ISO) certification. If the Group is not able to obtain or retain such accreditations or certifications that are important for the Group's business, this could have an adverse effect on the Group's business and results of operations.

*Low level risk*

### **Risks relating to technological development**

The oil and gas industry, the renewable energy industry and the industrial industry are characterised by technological advancements and introductions of new products and services utilising new technologies that have resulted in, and will likely continue to result in, improvements in equipment functions and performance. As a result, the future success and profitability of industry participants will be dependent, in part, upon its ability to improve existing services and related equipment, address the increasingly sophisticated needs of its customers, anticipate changes in technology and industry standards and respond to technological developments in a timely manner. The Group's future success and growth in its renewables services is dependent, in part, on the Group's ability to scale and integrate its existing technical capability and services in the oil and gas market to its services in the renewables market, hence should the Group not be able to integrate and scale such technical capability and services into its renewables services, this would adversely affect the profitability of the Group's renewables business and thus, the Group's business, financial position and results.

Furthermore, competitors may have greater financial, technical and personnel resources that allows them to enjoy technological advantages, which may in the future allow them to implement new technologies before such technologies become available to the Group. There can be no assurance that the Group will be able to respond to such competitive pressures and implement such technologies on a timely basis or at a cost acceptable to the Group. One or more of the technologies currently utilised by the Group or implemented in the future may become obsolete and the Group may be unable to utilise the most advanced, cost effective and commercially available technology. There is also a risk that the Group will not be able to obtain original equipment manufacturer products from suppliers, which may have an adverse effect on the Group's ability to retain existing customers and obtain new customers. These risks, individually or combined, may if materialised have an adverse effect on the Group's business, financial position and results.

### **Legal risks**

*Medium level risk*

#### **Disputes and litigations risk**

In the normal course of the Group's business and operations, the Group is, and can further become, involved in, named as a party to, or be the subject of, various disputes and legal proceedings, including regulatory proceedings, tax proceedings and legal actions, related to e.g. personal injuries, property damage, property tax, land rights, the environment and contract disputes and in various jurisdictions in which the Group has business operations, in particular due to the Group's international operations

as the Group operates in various jurisdictions and may therefore be liable across such jurisdictions should any liabilities materialise. Claims against the Group or the Group's active involvement in any legal proceedings against a third party could result in the Group being forced to spend considerable sums and resources on such proceedings, which may have an adverse effect on the Group's operations, financial position and results. The outcome of outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Group and as a result, could have a material adverse effect on the Group's assets, liabilities, business, earnings and financial position.

*Medium level risk*

### **Tax related risks**

The Group conducts its business through companies in a number of different jurisdictions. Its business, including intra-group transactions, are conducted in accordance with the Group's interpretation of applicable tax law, tax treaties and regulations in the affected countries and the requirements of the relevant tax authorities. There is a risk that the Group's or its advisers' interpretation and the Group's application of laws, provisions, judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which would have a negative effect on the Group's results and financial position. Revisions to tax regulations could for example comprise denied interest deductions, additional taxes on the direct or indirect sale of property and/or tax losses carried forward being forfeited, increases in corporation tax rates or withholding tax rates, which could have an adverse effect on the Group's business, financial position and results.

In addition, the Group may from time to time, due to the size and complexity of the Group, be subject to tax audits. Should this risk materialise this could have an adverse effect on the Group's business, financial position, results and on the bondholders' rights to receive payments under the Bonds.

*Low level risk*

### **Risks relating to legislation, regulation and licenses**

The Group is subject to various local laws and regulations, as well as several laws and regulations with worldwide application (both general and industry-specific), including most notably environmental, property, competition law, anti-bribery and anti-corruption legislation, labour and occupational health and safety standards and tax law. Governments may regulate or intervene with respect to e.g. exploration and production activities, prices, taxes, royalties and the exportation of oil and natural gas, which in turn may affect demand for the Group's services. These laws and regulations affect where and how the Group's business may be conducted in terms of e.g. environmental legislation and occupational health and safety standards. Although the Issuer focuses on compliance activities, the risk of issues of non-compliance exists, and it cannot be ruled out that the Group's interpretation of applicable law and regulations may differ from the interpretation or administrative application by the relevant authorities. Any instances of non-compliance, or decisions by the relevant authorities, may have a negative impact on the Group's business, financial position and results.

Furthermore, the judicial systems in certain countries in which the Group operates may be underdeveloped and can be subject to political influence and other inherent uncertainties. Therefore, it may be difficult to obtain a rapid, fair and unbiased resolution of disagreements with local and central government authorities.

*Low level risk*

## **Risks related to handling of personal data and GDPR**

The Group is handling data that may relate to an identified or identifiable natural person, i.e. data subject, and therefore qualifies as personal data in the meaning of the European General Data Protection Regulation ("**GDPR**") or other applicable legislation or regulations. The Group processes or might process these personal data as part of its business. The Group is liable for incorrect processing of the personal data and damages caused by unauthorized processing and disclosure of personal data. The Group recognizes the importance of adhering to applicable data protection and privacy laws and regulations. Failure to comply with data protection and privacy obligations may result in financial penalties imposed by Data Protection Authorities, regulatory oversight, significant brand and reputational damage, legal action (class action or breach of contract) and shareholder divestment.

GDPR sets out significant financial penalties that can be imposed on the Group as the result of any non-compliance with the GDPR. Unauthorised disclosure of any such information may damage the Group's brand and/or reputation. Further, this may also lead to customers attempting to cancel ongoing agreements with the Group and/or affect the Group's ability to retain current customers and/or attract new customers. There is a risk that a data breach event would have a material adverse effect on the Group's business, financial position and result of operation.

There is also the risk that third parties may obtain and use customer-related data or other information by circumventing the internal security systems which is part of the Group's business secrets. Should data from customers not be properly handled, for example as a result of misconduct on the part of employees or commissioned persons or companies or as a result of unlawful access, or should other doubts arise as to the security of the data collected and managed by the Group, this may impair the reputation of the Group in the public eye and in particular result in customers refraining from making use of the Group's services which would have a material adverse effect on the Group's business, financial position and results.

## **Financial risks**

*Medium level risk*

### **Currency risk**

The Group has a multi-national business model and operates in various countries. The reporting currency for the Issuer and most of its subsidiaries is British Pound (GBP). In general, most of the operating revenue and operating expense as well as interest bearing debt are denominated in GBP, US Dollars (USD) and Euro (EUR). The Group is exposed to expenses (and revenues) incurred in currencies other than GBP, the major currencies being USD, EUR, Danish Krona (DKK), Singapore Dollars (SGD), Australian Dollars (AUD), UAE Dirhams (AED), Saudi Arabian Riyals (SAR), Indian Rupee (INR), Angolan Kwanza (AOA), Kazakhstan Tenge (KZT), Trinidad Dollars (TTD), Brazilian Real (BRL) and Norwegian Kroner (NOK). Consequently, fluctuations in the exchange rate of said currencies may have significant impact on the financial statements of the Group. The exchange-rate risk is calculated for each foreign currency and takes into account assets and liabilities, liabilities not recognised in the balance sheet and expected purchases and sales in the currency in question.

Since the Issuer and most of its subsidiaries presents its financial statements in GBP, the Group must translate the assets, liabilities, revenue and expenses of all of its operations with functional currencies other than GBP into GBP at the applicable exchange rates. Consequently, increases or decreases in the value of the currency GBP may affect the value of these items with respect to the Group's non-GBP businesses in its consolidated financial statements, even if their values have not changed in their original currency. These translations could significantly affect the comparability of the Group's results



between financial periods or result in significant changes to the carrying value of the Group's assets, liabilities and equity.

The Group regularly monitors its exposure to foreign currency to determine if it is appropriate to utilise hedges or not. If the Group does hedge its currency exposure, the Group may not hedge all of its foreign currency risk and may not be able to hedge at favorable rates, or at all, and currency fluctuations may move in such a manner that causes the Group to incur losses on its hedging arrangements. The Group may not, at all times, be able to effectively manage its currency transaction and translation risks as desired. However, to the extent that the Group engages in price risk management activities to protect itself from commodity price declines, it may also be prevented from realising the full benefits of price increases above the levels of the derivative instruments used to manage price risk which could have a negative effect on the Group's earnings and financial position. Should this risk materialise, this may have an adverse effect on the Group's business, financial position and results.

*Medium level risk*

### **Refinancing risk**

The Group has, apart from the Bonds, incurred, and may further incur financial indebtedness under, including but not limited to, a super senior revolving credit facilities agreement (the "**Super Senior RCF**"). There is a risk that the Group will be required to refinance some or all of its outstanding debt, including the Bonds, in order to be able to continue the operations of the Group. The Group's ability to successfully refinance its debt depends on, among other things, conditions of debt capital markets and its financial condition at such time. Even if debt capital markets are open, there is a risk that the Group will not have access to financing on favourable terms, or at all. Furthermore, there is a risk that the nature of the Group's business, i.e. providing services in e.g. the oil and gas market, may affect the Group's access to financing on favourable terms due to environmental, social, and governance reasons. Should the Group be unable to refinance its debt obligations on favourable terms, or at all, it would have a significant negative effect on the Group's business, financial condition and result of operation and on the bondholders' recovery under the Bonds.

*Medium level risk*

### **Borrowing by the Group and interest risk**

The Group has incurred, and may further incur, financial indebtedness to finance its business operations. The financial indebtedness, including the Bonds, and any future financing arrangements of the Group may generate interest costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. Interest rates are affected by a number of factors that are beyond the control of the Group, including but not limited to, the interest rate changes by central banks and fiscal policy measures by governments. Further, the Terms and Conditions for the Bonds include restrictions limiting the Group's ability to incur debt, which could impair the Group's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Further, certain existing financial arrangements in the Group contain undertakings which, if breached and not waived, could result in such existing financing being accelerated and becoming due and payable. In particular, there are cross-default clauses in the existing financing of the Issuer stating, *inter alia*, that if any financial indebtedness of the Group (including the Bonds) is declared to be or

otherwise becomes due and payable prior to its specified maturity it constitutes an event of default under the existing financing. An obligation to prepay any existing financing could have an adverse effect on the Group's financial position and results.

## **RISKS RELATING TO THE BONDS**

### **Risks relating to the nature of the Bonds**

*Medium level risk*

#### **Credit risks relating to the Bonds and ability to service debt**

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

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

*Medium level risk*

#### **Currency risks**

The Bonds are 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 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.

*Medium level risk*

### **Interest rate risks in relation to the Bonds**

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The Bonds bear interest at a fixed rate. Investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates. The general interest level is to a high degree affected by the international financial development and is outside the Group's control.

*Low level risk*

### **Majority owner risk**

The Group is currently indirectly controlled by funds affiliated to or controlled by AEA Europe Fund LP (the "**AEA Funds**") who, indirectly control the Issuer's shares. AEA Funds can therefore exercise a level of control over the Group, including the ability to amend articles and issue shares, and can ultimately change the board of directors at the top of the corporate structure and therefore indirectly change the boards throughout the Group. AEA Funds' interests may conflict with the bondholders', particularly if the Group encounters difficulties or is unable to pay its debts as they fall due.

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

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

*Low level risk*

### **Put option**

Pursuant to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put option) if:

- (a) an event or series of events occur whereby one or more persons, not being AEA Europe Fund LP or any funds managed and/or advised and/or controlled by AEA Europe Fund LP (or an Affiliate thereof), acting together, acquire control over the Issuer and where "control" means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent of the shares of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer; or
- (b) following an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a regulated or unregulated market, an event or series of events occur whereby the Issuer's shares are delisted from a regulated market.

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

## **Risks relating to security under the Bonds**

*Medium level risk*

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

Although the Issuer's obligations towards the Investors under the Bonds are secured by (a) pledges over the shares in certain Group companies, (b) a pledge over assets in the Issuer and each Guarantor (as defined below), (c) a pledge over certain material intra-group receivables granted by the Issuer, and (d) a pledge over its rights under a share purchase agreements and certain loans granted by Sparrows Offshore Services Limited. Further, it is not certain that the proceeds of any enforcement sale of the security assets would be sufficient to satisfy all amounts then owed to the Investors.

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

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

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

*Medium level risk*

### **Risks relating to foreign insolvency regulations**

The Issuer and the various Group Companies providing security and guarantees (the "**Guarantors**") are incorporated or organised under the laws of various jurisdictions, such as e.g. Scotland, England and Wales, Delaware and Singapore. Although laws differ across these jurisdictions, the guarantees and transaction security are subject to various legal and related risks that may adversely affect their validity or enforceability, the value of remedies available thereunder and the practical ability to obtain those benefits based upon procedural limitations.

In the event that the Issuer, the Guarantors, any future guarantors or any of their subsidiaries experienced financial difficulty, it is not possible to predict with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced, or the outcome of such proceedings.

Guarantees and transaction security which may be provided by entities organised in jurisdictions not discussed in these risk factors are also subject to material limitations pursuant to their terms, by statute or otherwise. Any enforcement of the guarantees or transaction security after a bankruptcy or an insolvency event in such other jurisdictions will be subject to the insolvency laws of the relevant entity's jurisdiction of organisation or other jurisdictions. The insolvency and other laws of each of these jurisdictions may be materially different from, or in conflict with, each other. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, or could adversely affect the bondholders' ability to enforce their rights under the guarantees and limit any amounts that the bondholders may receive.

Multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of the rights of the bondholders. There can also be no assurances that the bondholders will be able to enforce their rights effectively in such complex, multiple bankruptcy, insolvency or similar proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, which could adversely affect the bondholders' ability to enforce their rights under the Bonds, the guarantees and the transaction security in those jurisdictions or limit any amounts that the bondholders may receive.

*Medium level risk*

#### **Risks relating to guarantees and security in Denmark**

The enforcement of the transaction security located in Denmark or governed by Danish law is subject to mandatory provisions of Danish law including in relation to limitations and defenses or to limitations contained in the terms of the Danish transaction security designed to ensure compliance with applicable statutory requirements.

With regard to the transaction security governed by Danish law, the Security Agent's ability to hold the relevant security interests on behalf of the bondholders require that the Security Agent is registered with the Danish Financial Supervisory Authority (Da .*Finanstilsynet*) in accordance with the rules set out in Chapter 4 of the Danish Capital Markets Act (Da .*kapitalmarkedsloven*). No assurance can be given that the Security Agent or the Terms and Conditions and other documents meet the eligibility criteria for the Security Agent to be registered with the Danish Financial Supervisory Authority.

As a matter of Danish law, it is, *inter alia*, a perfection requirement that the cash flow from assigned intercompany loans and contracts are controlled by the Security Agent (i.e. by effectively blocking the security provider from dealing with such assigned rights and by only allowing payment to the Security Agent (or a third party so designated by the Security Agent)). Absent of such perfection, the holder of the security interest will be unable to enforce its rights in the secured assets in competition with third parties, including a trustee in bankruptcy and other creditors who claim a security interest in the same assets. Furthermore, if the Security Agent gains control of the cash flow and rights at a later stage, the security interest in such assets will be subject to avoidance during a three month hardening period from the day the Security Agent assumes control.

A Danish court may find that a security interest in dividend rights in a Danish company granted pursuant to a share pledge agreement has not been perfected until the Security Agent has given notice to the relevant Danish company that the dividend pledged under the share pledge agreement may be paid to the Security Agent only. Should this be the case, the security interest in such dividend rights will be subject to avoidance during a three month hardening period following perfection.

The transaction security governed by Danish law comprise assignment of a number of agreements and assignability and enforcement of such security rights are subject to the terms of the relevant agreement. In addition, the share pledge over the shares in Sparrows Denmark ApS is subject to a shareholders' agreement and any enforcement steps will be subject to the terms of the shareholders' agreement and may delay enforcement or adversely affect the value of the transaction security.

Should any of the above risks materialise, this could adversely affect the bondholders' ability to enforce their rights under the Bonds, the guarantees and the transaction security in those jurisdictions or limit any amounts that the bondholders may receive.

*Medium level risk*

#### **Risks relating to guarantees, payment undertakings and security in England and Wales**

A liquidator or administrator of a provider of a guarantee, a payment undertaking and/or security incorporated in England could apply to the court to unwind the issuance thereof; provided that it was granted during the two years before the onset of insolvency, if such liquidator or administrator believed that issuance of such constituted a transaction at an undervalue. If the provisions of such guarantee, payment undertaking and security were determined to be transactions at an undervalue, the court may make such order as it thinks fit for restoring the position to what it would have been if such guarantee, payment undertaking and security had not been given or made.

In addition, if it can be shown that a transaction entered into by an English company was made for less than fair value and was made to shield assets from creditors, then the transaction may be set aside as a transaction defrauding creditors. Any person who is a "victim" of the transaction, and not just liquidators or administrators, may assert such a claim. There is no statutory time limit within which a claim must be made (although the normal provisions under the Limitation Act 1980 will apply) and the company need not be insolvent at the time of the transaction.

Should any of the above risks materialise, this could adversely affect the bondholders' ability to enforce their rights under the Bonds, the guarantees and the transaction security in those jurisdictions or limit any amounts that the bondholders may receive.

*Medium level risk*

#### **Risks relating to guarantees and security in Scotland**

Under Scottish insolvency law, a liquidator, administrator or creditor of a Guarantor incorporated in Scotland could apply to the court for an order to set aside a security interest or a guarantee granted by the company (or give other relief) on the grounds that the creation of such security interest or guarantee constituted a gratuitous alienation (the English equivalent is a transaction at undervalue). Under common law, any alienation (other than in the ordinary course of business or in implementation of prior obligations) by an insolvent debtor which confers a benefit on a creditor and prevents a fair division of the insolvent estate among creditors is reducible at the instance of present and future creditors. The transaction can be challenged if the Scottish company enters into liquidation or administration proceedings within a period of two years from the date the Scottish company grants the security interest or the guarantee or five years in the case of an alienation to a "connected person" of the Scottish company. A transaction might be subject to being set aside as a gratuitous alienation if the company receives no consideration or if the company receives inadequate consideration. If the court determines that the transaction was a gratuitous alienation the court can grant a decree of reduction or for restoration of the property or assets or such other redress as may be appropriate. A

transaction made at a time when a company is insolvent may also constitute a gratuitous alienation at common law. In these circumstances, no time limits apply in relation to challenging it.

Under Scottish insolvency law, a floating charge granted by a Scottish company is (subject to certain exceptions where the beneficiary is not a connected person) invalid except to the extent of the aggregate of (a) the consideration for the creation of the floating charge consisting of money paid or goods or services supplied to the Scottish company at the time of the creation of the floating charge, (b) the value of the consideration consisting of the discharge or reduction of any debt of the Scottish company at the same time as or after the creation of the floating charge and (iii) the amount of any interest payable on these sums, if the Scottish company enters into liquidation or administration proceedings within a statutory challenge period. The statutory challenge period is a period of one year (if the beneficiary is not a connected person) or two years (if the beneficiary is a connected person) from the date the Scottish company grants the floating charge.

Should any of the above risks materialise, this could adversely affect the bondholders' ability to enforce their rights under the Bonds, the guarantees and the transaction security or limit any amounts that the bondholders may receive.

#### *Medium level risk*

#### **Risks relating to guarantees and security in Singapore**

The insolvency of a Guarantor incorporated in Singapore may impact on the enforceability of the relevant guarantee. An insolvent company in Singapore may be subject to, amongst others, restructuring proceedings such as judicial management and Scheme of Arrangement proceedings ("**Scheme**"), or winding up proceedings.

The company may enter into judicial management upon the making of a judicial management order by way of Court application or by the seeking of a resolution from the company's creditors for the company to be placed under judicial management. An application for Scheme may be made by a company, its creditor(s) or its member(s) to call a meeting of creditors to consider and approve a Scheme to compromise the debts of the company. The Scheme, if approved by a majority in number and at least three-quarters in value of the creditors of the company at the said meeting, and if approved by the Court after the said meeting (subject to such alterations or conditions as the Court deems just), will bind all of the creditors of the company subject to the Scheme. Certain moratoriums, including, but not limited to, moratoriums against commencing or continuing with any legal process or proceeding and against enforcing any security over the company's assets, may be imposed automatically or by order of Court if the company is already in judicial management or in the midst of the judicial management or Scheme proceedings or processes.

A guarantee is liable to be set aside by a liquidator or judicial manager upon application to the Singapore Courts by the liquidator or judicial manager on the basis that the granting of the guarantee constituted a transaction at an undervalue. A Singapore court should not set aside a transaction at an undervalue if it is satisfied that the company had entered into the transaction in good faith and for the purpose of carrying on its business, and there were reasonable grounds for believing that the transaction would benefit the company. A guarantee is also liable to be set aside if the Singapore Courts make an order that the making of the guarantee constituted an unfair preference. If the guarantee was part of an "extortionate credit transaction", it could also potentially be liable to be set aside. Secured creditors have priority over unsecured creditors. The guarantee may be set aside as a transaction at an undervalue, an unfair preference, and/or an extortionate credit transaction (the "**Voidable Transactions**") if the guarantee had been granted within the respective relevant time for each of these Voidable Transactions before the commencement of the winding up or judicial



management proceedings. A conveyance of property with intent to defraud creditors that was not made to a person (without notice of the intent to defraud) for valuable consideration and in good faith may also be challenged and set-aside by a person who was prejudiced by such conveyance of the property. In a winding up of a Singapore company, the preferential debts (such as the costs and expenses of the winding up and wages or salary of any employee) are to be paid in priority over the debts of the general body of unsecured creditors. Further, such preferential debts have priority over debts secured only by a floating charge.

Should any of the above risks materialise, this could adversely affect the bondholders' ability to enforce their rights under the Bonds, the guarantees and the transaction security or limit any amounts that the bondholders may receive.

*Medium level risk*

#### **Risks relating to the perfection of liens in respect of transaction security (US Federal Law)**

Applicable U.S. federal law requires that (a) a security interest in certain tangible and intangible assets be properly perfected and its priority established and maintained through certain actions and (b) certain property and rights acquired after the grant of a general security interest or lien can only be perfected at the time such property and rights are acquired and identified. The bondholders' liens in respect of the transaction security may not be perfected if the Group has not taken, or are not required pursuant to the terms of the security documents entered into in connection with the Bonds to take, the actions necessary to perfect any of those liens. The inability or failure to take all such necessary actions to create properly perfected security interests in respect of the transaction security may result in the loss of perfection of the security interest for the benefit of the bondholders to which they would have been entitled to other than as a result of such non-perfection. Furthermore, there can be no assurance that the Security Agent will monitor, or that the Issuer will inform the Security Agent of, the future acquisition of property and rights that are subject to the Transaction Security, and that the necessary action will be taken to properly perfect the lien on such after-acquired assets. The Agent has no obligation to monitor the acquisition of additional property or rights that are subject to the Transaction Security or the perfection of any security interests therein. Such failure may result in the loss of the practical benefits of the liens thereon or of the priority of the liens securing the Bonds.

*Medium level risk*

#### **Risks relating to US bankruptcy law limitations**

Under applicable U.S. federal bankruptcy laws, which are subject to change from time to time, absent bankruptcy court approval, secured creditors are generally prohibited from repossessing their collateral from a debtor in a bankruptcy case, and may also be prohibited from disposing of collateral previously repossessed from such a debtor. Moreover, applicable federal bankruptcy laws generally permit the debtor to continue to retain and to use collateral owned by the debtor, including cash collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given "adequate protection". The meaning of the term "adequate protection" may vary according to the circumstances, but is intended generally to protect the value of the secured creditor's interest in the collateral at the commencement of the bankruptcy case and may include cash payments or the granting of additional collateral if and at such times as the court, in its discretion, determines that a diminution in the value of the collateral occurs as a result of the stay of the repossession or the disposition of the collateral during the pendency of the bankruptcy case. In view of the lack of a precise definition of the term "adequate protection" and the broad discretionary powers of a U.S. bankruptcy court, the Issuer cannot predict whether or when the Security Agent could enforce the transaction security or whether or to what extent the bondholders would be compensated for any delay in payment or loss of value of the property subject to transaction security.

*Medium level risk*

### **Risks relating to the value of transaction security governed by US law**

In the event of a bankruptcy, liquidation, dissolution, reorganisation or similar proceeding against the Issuer and/or any Guarantor in the United States, bondholders will only be entitled to post-petition interest under the United States Bankruptcy Code to the extent that the value of their security interest in the transaction security is greater than their pre-bankruptcy claim. Bondholders that have a security interest in transaction security with a value equal or less than their pre-bankruptcy claim will not be entitled to post-petition interest under the United States Bankruptcy Code. No appraisal of the fair market value of the assets subject to the transaction security has been prepared in connection with this transaction and therefore the value of the interest of Bondholders in the transaction security may not equal or exceed the principal amount of the Bonds.

*Medium level risk*

### **Risks related to the intercreditor arrangement**

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

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

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

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

### **Risks relating to the financial standing of the Group**

*Medium level risk*

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

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

In addition, under the Terms and Conditions, the Issuer is permitted to incur additional financial indebtedness and other obligations that may share in the security interest under the transaction security securing the Bonds. The granting of new security interests may require the releasing and retaking of security or otherwise create new hardening periods in certain jurisdictions. The applicable hardening period for these new security interests will run from the moment each new security interest has been granted or perfected. At each time, if the security interest granted or recreated were to be enforced before the end of the respective hardening period applicable in such jurisdiction, it may be declared void or ineffective and/or it may not be possible to enforce it, which could have an adverse effect on the bondholders' security position.

*Low level risk*

### **Subsidiaries, structural subordination and insolvency of subsidiaries**

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

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

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

### **Risks related to the Security Agent and the bondholders' representation**

*Medium level risk*

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

In accordance with the Terms and Conditions for the Bonds, the Agent represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However,

there is a risk that an individual bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions for the Bonds), which could negatively impact an acceleration of the Bonds or other action against the Issuer.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could have a negative effect on the legal proceedings as for instance the requisite quorum or majority for taking such legal proceedings may not be obtained. Under the Terms and Conditions for the Bonds, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, there is a risk that the actions of the Agent in such matters will impact a bondholder's rights under the Bonds in a manner that is undesirable for some of the bondholders.

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

Under certain circumstances the Agent and the Security Agent, from time to time, may be exposed to the risk of insolvency or other proceedings that could affect the performance of its duties as the Agent or Security Agent (as applicable).

*Medium level risk*

#### **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 from the required majority at a duly convened and conducted bondholders' meeting. A bondholder may, for instance, be bound by a majority's decision to accept a change of the interest rate, decision to accept a change of the final maturity date or decision to accept a change of the transaction security and/or guarantees. Consequently, there is a risk that the actions of the majority in such matters will impact certain bondholders' rights in a manner that is undesirable for some of the bondholders.

## THE BONDS IN BRIEF

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

<b>Issuer</b> .....	Hawk Debtco Limited.
<b>Bonds Offered</b> .....	The aggregate amount of the bond loan will be an amount of up to a maximum of EUR 150,000,000. The Issuer may choose not to issue the full amount of Bonds on the First Issue Date and may choose to issue the remaining amount of Bonds at one or more subsequent dates. At the date of this Prospectus, an aggregate amount of Bonds of EUR 110,000,000 had been issued on the First Issue Date and it is subsequently Bonds in an aggregate amount of EUR 110,000,000 the application for listing will be made for pursuant to this Prospectus.
<b>Number of Bonds</b> .....	At the date of this Prospectus 1100 Bonds had been issued on the First Issue Date.
<b>ISIN</b> .....	NO: NO0010911928.
<b>First Issue Date</b> .....	22 December 2020.
<b>Issue Price</b> .....	All bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The issue price of the Subsequent Bonds may be equal to, at a discount or at a premium compared to the Nominal Amount.
<b>Interest Rates</b> .....	Interest on the Bonds will be paid at a fixed rate of 10.50 per cent. <i>per annum</i> .
<b>Interest Payment Dates</b> .....	22 June and 22 December each year commencing on 22 June 2021. Interest will accrue from (and including) the First Issue Date.
<b>Prescription</b> .....	The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten 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.
<b>Nominal Amount</b> .....	The Bonds will have a nominal amount of EUR 100,000 and the minimum permissible investment in the Bonds is EUR 100,000.

**Status of the Bonds .....** The Bonds are denominated in EUR and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.

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

- (a) shall at all times rank (a) without any preference among them and (b) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except (i) those obligations which are mandatorily preferred by law and (ii) the super senior ranking of the Super Senior RCF in accordance with the Intercreditor Agreement;
- (b) are guaranteed by the Guarantors (as defined below);
- (c) are effectively subordinated to any existing or future indebtedness or obligation of the Issuer and its subsidiaries that is secured by property and assets that do not secure the Bonds, to the extent of the value of the property and assets securing such indebtedness; and
- (d) are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer that are not Guarantors, including obligations to trade creditors.

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

- (a) Hawk Noteco Limited, a limited liability company incorporated in Scotland with reg. no. SC431040;
- (b) ArranCo 3 Limited, a limited liability company incorporated in Scotland with reg. no. SC333603;
- (c) Hawk Bidco (US) Inc, a limited liability company incorporated in United States of America with reg. no. 5208123;
- (d) ArranCo US LLC, a limited liability company incorporated in United States of America with reg. no. 4521594;
- (e) Hawk Holdco Limited, a limited liability company incorporated in Scotland with reg. no. SC431513;
- (f) ArranCo 4 Limited, a limited liability company incorporated in Scotland with reg. no. SC336637;

- (g) Sparrows Offshore International Group Limited, a limited liability company incorporated in Scotland with reg. no. SC204815;
- (h) Sparrows Offshore LLC, a limited liability company incorporated in United States of America with reg. no. 3680898;
- (i) Sparrows Global Resources Pte. Ltd, a limited liability company incorporated in Singapore with reg. no. 201025392C;
- (j) Sparrows Offshore Services Limited, a limited liability company incorporated in England & Wales with reg. no. 00845839;
- (k) Sparrows Angola Limited, a limited liability company incorporated in Scotland with reg. no. SC254764;
- (l) Sparrows India 2 Limited, a limited liability company incorporated in England & Wales with reg. no. 07669779;
- (m) Sparrows India 1 Limited, a limited liability company incorporated in England & Wales with reg. no. 07669758;
- (n) Servtech Limited, a limited liability company incorporated in Scotland with reg. no. SC093422; and
- (o) Sparrows Offshore Services (Singapore) Pte Ltd, a limited liability company incorporated in Singapore with reg. no. 2008009165R.

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

See "*Description of Material Agreements – Guarantee and Adherence Agreement*" for further details.

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

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

The Guarantees are subject to certain limitations under local law.

<b>Security .....</b>	The Bonds, together with obligations under the Super Senior RCF are secured by security interests granted on an equal and rateable first-priority basis over the share capital of certain Group Companies and other assets of the Group. See the definition of "Transaction Security Documents" in Clause 1.1 ( <i>Definitions</i> ) of the Terms and Conditions.
<b>Call Option.....</b>	The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 ( <i>Voluntary total redemption</i> ) of the Terms and Conditions.
<b>Call Option Amount .....</b>	Call Option Amount means: <ul style="list-style-type: none"> <li>(a) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 105.25 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c) of the Terms and Conditions, up to, but excluding, the First Call Date, together with accrued but unpaid Interest;</li> <li>(b) any time from and including the First Call Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 105.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest;</li> <li>(c) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 103.675 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and</li> <li>(d) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 102.10 per cent. of the Nominal Amount, together with accrued but unpaid Interest.</li> </ul>
<b>First Call Date.....</b>	Means the date falling 24 months after the First Issue Date.
<b>Final Maturity Date .....</b>	Means 22 December 2024.
<b>Redemption Clauses.....</b>	Upon the occurrence of a Change of Control Event and/or Delisting Event 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 days following a notice from the Issuer of the Change of Control Event and/or Delisting Event pursuant to Clause 11.1(f) of the Terms and Conditions (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event and/or Delisting Event.

**Change of Control Event.....** Change of Control Event means the occurrence of an event or series of events whereby one or more Persons, not being the Investors (or an Affiliate of the Investors), acting together, acquire control over the Issuer and where "control" means:

- (a) acquiring or controlling, directly or indirectly, more than 50.0 per cent of the shares of the Issuer; or
- (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**Delisting Event** Delisting Event means, following an Equity Listing Event, the occurrence of an event or series of events whereby the Issuer's shares are delisted from a Regulated Market.

**Equity Listing Event** Equity Listing Event means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a regulated market or unregulated market.

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

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

The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt, including, but not limited to (a) the possibility to provide, prolong and renew any Permitted Security and (b) the possibility for the Issuer to incur additional Financial Indebtedness if such Financial

Indebtedness, (i) is incurred as a result of a Subsequent Bond Issue and meets the Incurrence Test on a *pro forma* basis, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents, and (A) meets the Incurrence Test on a *pro forma* basis; (B) has a final maturity date or a final redemption date; and (C) when applicable, early redemption dates or instalment dates, in each case of (B) and (C) which occur on or after the Final Redemption Date.

The Incurrence Test is met if (a) the Leverage Ratio is equal to or less than (i) 4.00x from the First Issue Date until (and including) the date falling 24 months after the First Issue Date; (ii) 3.75x from (but excluding) from the date falling 24 months after the First Issue Date until (and including) the date falling 36 months after the First Issue Date; or (iii) 3.50x from (but excluding) from the date falling 36 months after the First Issue Date until (and including) the Final Redemption Date; and (b) no Event of Default is continuing or would occur upon the incurrence.

The Terms and Conditions contains maintenance covenants which govern the financial standing and condition of the Issuer, according to which the Issuer shall ensure that:

- (a) the leverage ratio is equal to or less than:
  - (i) 5.75x from the First Issue Date until (and including) the date falling 12 months after the First Issue Date;
  - (ii) 5.50x from (but excluding) from the date falling 12 months after the First Issue Date until (and including) the date falling 24 months after the First Issue Date;
  - (iii) 5.25x from (but excluding) from the date falling 24 months after the First Issue Date until (and including) the date falling 36 months after the First Issue Date; or
  - (iv) 5.00x from (but excluding) from the date falling 36 months after the First Issue Date until (and including) the Final Redemption Date; and
- (b) no Event of Default is continuing.

The Terms and Conditions contains an Equity Cure clause, according to which:

- (a) If there is a breach of the Maintenance Covenant, no Event of Default will occur if, within 30 Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with the Terms and

Conditions, the Issuer has received an Equity Injection in an amount sufficient to ensure compliance with the Maintenance Covenant, as at the relevant Reference Date (the "**Cure Amount**") in accordance with (b) below.

- (b) Following the receipt of any Cure Amount, the calculation of the Leverage Ratio shall be adjusted so that the Net Interest Bearing Debt for the Reference Period is reduced by an amount equal to the Cure Amount.
- (c) Any Equity Cure must be made in cash and no more than two Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

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

**Use of Proceeds and Net Proceeds.....**

The proceeds from the Initial Bond Issue shall be used to:

- (a) finance Transaction Costs;
- (b) refinance the Existing Loan Facilities; and
- (c) finance general corporate purposes,

The proceeds from any Subsequent Bond Issue shall be used to:

- (a) finance general corporate purposes; and
- (b) finance Transaction Costs.

The Net Proceeds from the Initial Bond Issue were in an approximate amount of EUR 107,000,000.

**Transfer Restrictions .....**

The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

**Listing.....**

Application will be made to list the Bonds on Nasdaq Stockholm. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 20 January 2022.

**Agent.....**

Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

**Security Agent .....**

Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

**Issuing Agent .....**

Pareto Securities AB, reg. no. 556206-8956.

<b>Paying Agent</b>	NT Services AS, reg. no. 916 482 574, Kronprinsesse Märthas plass 1, 0160 Oslo, Norway.
<b>Governing Law of the Bonds</b>	Swedish law.
<b>Governing Law of the Intercreditor Agreement .....</b>	Swedish law.
<b>Governing Law of the Guarantee and Adherence Agreement.....</b>	Swedish law.
<b>Risk Factors.....</b>	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

## STATEMENT OF RESPONSIBILITY

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 18 December 2020, and was subsequently issued by the Issuer on 22 December 2020. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

After the expiration date of this Prospectus, being a maximum of up until 20 January 2023, the obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid.

The board of directors of the Issuer is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

20 January 2022

Hawk Debtco Limited

*The board of directors*

## DESCRIPTION OF MATERIAL AGREEMENTS

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

### Super Senior RCF

The Issuer as company and original borrower, Hawk Noteco Limited as parent, certain Group Companies and Hawk Noteco Limited as original guarantors, HSBC UK Bank plc and The Royal Bank of Scotland plc as mandated lead arrangers, certain financial institutions as lenders, HSBC Bank plc as agent and the Security Agent as security trustee for the secured parties have entered into a Super Senior RCF dated 22 December 2020. The total commitment under the Super Senior RCF amounts to GBP 15,000,000. The Super Senior RCF has been provided to the Issuer to be applied to finance general corporate and working capital requirements purposes of the Group.

### Guarantee and Adherence Agreement

The Guarantors and the Issuer have entered into a guarantee and adherence agreement with the Security Agent dated 22 December 2020 (the "**Guarantee and Adherence Agreement**"), pursuant to which the Guarantors have agreed to jointly and severally guarantee the Group's obligations as follows:

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

The Guarantees are subject to the Intercreditor Agreement and certain limitations imposed by local law requirements in certain jurisdictions.

### Intercreditor Agreement

The Issuer as issuer, the Security Agent as security agent and bond agent, and HSBC Bank plc as facility agent, HSBC UK Bank plc and The Royal Bank of Scotland plc as super senior RCF creditors, HSBC Bank plc and NatWest Markets plc as hedge counterparties and certain Group Companies as original ICA group companies and original subordinated creditors have entered into an intercreditor agreement dated 22 December 2020 (the "**Intercreditor Agreement**"). The terms of the Intercreditor Agreement provides for the following rank of debt in respect of proceeds in right and priority of payment (a) following a Payment Block Event or (b) an enforcement of Transaction Security, the Guarantees or

which are otherwise payable to the Security Agent under the Intercreditor Agreement for application in accordance with clause 15.1 (*Order of Application*) of the Intercreditor Agreement (each as defined in the Intercreditor Agreement) in respect of in the following order:

- (a) *first*, the Super Senior Debt (*pari passu* between all indebtedness under the Super Senior RCF and the Hedging Obligations);
- (b) *secondly*, the Senior Debt (*pari passu* between all indebtedness under the Bonds and any New Debt); and
- (c) *thirdly*, any liabilities raised in the form of Intercompany Debt or Subordinated Debt.

For the purpose of this section "*Intercreditor Agreement*", the below listed terms shall have the following meaning:

- Intercompany Debt** means any loan made or credit granted by an ICA Group Company to any Group Company or any loan made or credit granted to an ICA Group Company from any Group Company.
- New Debt** Financial Indebtedness which in accordance with the Senior Finance Documents is permitted to rank *pari passu* with the Bonds and benefit from the Transaction Security (including, for as long as the Bonds remain outstanding, under paragraph (g) in the definition of Permitted Debt in the Terms and Conditions) provided that the creditors (or a representative or agent representing such creditors) under such debt has acceded to this Agreement and further provided that the aggregate amount of any New Debt and amounts outstanding under the Bonds shall not exceed EUR 150,000,000.
- Payment Block Event** means when the Super Senior Representative serves a written notice to the Security Agent (who shall notify the Issuer, any New Creditor and the Bonds Agent) that an Event of Default (for the avoidance of doubt, after the expiration of any applicable grace period in respect of the default giving rise to the Event of Default) relating to:
- (a) a non payment;
  - (b) a breach of financial covenants or delivery of financial statements and/or compliance certificates;
  - (c) non-compliance with any of the Major Obligations;
  - (d) a cross default;
  - (e) insolvency;
  - (f) insolvency proceedings (including US Bankruptcy Proceedings);
  - (g) creditors' process;
  - (h) unlawfulness or illegality;
  - (i) repudiation and rescission;
  - (j) this Agreement; or
  - (k) cession of business,

under the Super Senior RCF has occurred or the Super Senior Representative serves a written notice of acceleration to the Security Agent (who shall notify the Issuer, any New Creditor (or its/their representative/agent) and the Bonds Agent).

**Senior Debt**

means (a) all indebtedness outstanding under the Bonds Finance Documents and (b) any New Debt.

**Subordinated Debt**

means all present and future moneys, debts and liabilities due, owing or incurred from time to time by any member of the Group to any Subordinated Creditor, including any dividends and any advisory, monitoring or management fee.

**Super Senior Debt**

means all indebtedness to the Super Senior Creditors outstanding under the Super Senior RCF Documents and the Hedging Agreements.



## DESCRIPTION OF THE GROUP

### The Issuer and the Guarantors

#### *The Issuer*

The Company's legal and commercial name is Hawk Debtco Limited and was incorporated on 23 August 2012 and is a Scottish private limited company operating under the laws of Scotland and registered with the Registrar of Companies for Scotland with reg. no. SC431040. The Issuer's legal entity identifier (LEI) code is 2138003PJA5QE4JABT02.

The registered office of the Company is 13 Queen's Road, Aberdeen, AB15 4YL, United Kingdom, with telephone number 01224 704868. The website of the Issuer is [www.sparrowsgroup.com](http://www.sparrowsgroup.com). The information on the website or any other website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus and has not been scrutinised or approved by the SFSA.

Hawk Debtco Limited acts as parent company for the Hawk Debtco Group of companies. It is an intermediate holding company within the Sparrows Offshore Group of companies.

The Hawk Debtco Group is a global provider of specialist equipment and integrated engineering services and technology to the offshore energy, renewables and industrial markets. The Hawk Debtco Group works across a variety of industry applications and specialises in delivering structured and bespoke solutions in the safety critical areas of cranes, lifting, wind turbine maintenance, mechanical handling, cable and pipe lay and fluid power.

Working across the asset life cycle the Hawk Debtco Group design, manufacture, rent, sell, operate, maintain, inspect, certify, refurbish, upgrade, remove and replace equipment, and develop and train people.

The Group is headquartered in the UK and operates in global markets with subsidiaries or locally registered branch offices in the US, Continental Europe, Africa, Middle East, Asia Pacific, Australasia, Brazil and Caspian.

#### *The Guarantors*

##### Hawk Noteco Limited

Hawk Noteco Limited was incorporated on 23 August 2012 and is a limited liability company operating under the laws of Scotland and registered with the Registrar of Companies for Scotland with reg. no. SC431040 with its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom and has no legal entity identifier (LEI).

The shares of Hawk Noteco Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Hawk Noteco Limited had an issued share capital of GBP 4,803,184. Hawk Noteco Limited has issued a total of 4,803,184 shares.

Hawk Noteco Limited acts as parent company to Hawk Debtco Limited and is an intermediate holding company within the Sparrows Offshore Group of companies.

See "Overview of Group structure" for further details of the ownership structure.

### Hawk Holdco Limited

Hawk Holdco Limited was incorporated on 23 August 2012 and is a limited liability company operating under the laws of Scotland and registered with the Registrar of Companies for Scotland with reg. no. SC431513 with its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom and has no legal entity identifier (LEI).

The shares of Hawk Holdco Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Hawk Holdco Limited had an issued share capital of GBP 45,303,184. Hawk Holdco Limited has issued a total of 45,303,184 shares.

Hawk Holdco Limited acts as an intermediate holding company for the Hawk Debtco Group of companies.

See "Overview of Group structure" for further details of the ownership structure.

### ArranCo 3 Limited

ArranCo 3 Limited was incorporated on 7 November 2007 and is a limited liability company operating under the laws of Scotland and registered with the Registrar of Companies for Scotland with reg. no. SC333603 with its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom and has no legal entity identifier (LEI).

The shares of ArranCo 3 Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, ArranCo 3 Limited had an issued share capital of GBP 2. ArranCo 3 Limited has issued a total of 2 shares.

Arranco 3 Limited acts as an intermediate holding company for the Hawk Debtco Group of companies.

See "Overview of Group structure" for further details of the ownership structure.

### ArranCo 4 Limited

ArranCo 4 Limited was incorporated on 18 January 2008 and is a limited liability company operating under the laws of Scotland and registered with the Registrar of Companies for Scotland with reg. no. SC336637 with its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom and has no legal entity identifier (LEI).

ArranCo 4 Limited has shares denominated in USD and GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, ArranCo 4 Limited had an issued share capital of GBP 2 plus USD 127,576,000. ArranCo 4 Limited has issued a total of 127,576,002 shares.

ArranCo 4 Limited acts as an intermediate holding company for the Hawk Debtco Group of companies.

See "Overview of Group structure" for further details of the ownership structure.

### Sparrows Offshore International Group Limited

Sparrows Offshore International Group Limited was incorporated on 10 March 2000 and is a limited liability company operating under the laws of Scotland and registered with the Registrar of Companies for Scotland with reg. no. SC204815 with its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom and has no legal entity identifier (LEI).

The shares of Sparrows Offshore International Group Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Sparrows Offshore International Group Limited had an issued share capital of GBP 41,260,400. Sparrows Offshore International Group Limited has issued a total of 41,840,000 shares.

Sparrows Offshore International Limited acts as an intermediate holding company for the Hawk Debtco Group of companies.

See "Overview of Group structure" for further details of the ownership structure.

#### Sparrows Angola Limited

Sparrows Angola Limited was incorporated on 26 August 2003 and is a limited liability company operating under the laws of Scotland and registered with the Registrar of Companies for Scotland with reg. no. SC254764 with its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom and has no legal entity identifier (LEI).

The shares of Sparrows Angola Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Sparrows Angola Limited had an issued share capital of GBP 100,000. Sparrows Angola Limited has issued a total of 100,000 shares.

Sparrows Angola Limited's principal activity is the provision of crane operation, manufacture, maintenance and associated services to the offshore energy industry.

See "Overview of Group structure" for further details of the ownership structure.

#### Servtech Limited

Servtech Limited was incorporated on 22 May 1985 and is a limited liability company operating under the laws of Scotland and registered with the Registrar of Companies for Scotland with reg. no. SC093422 with its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom and has no legal entity identifier (LEI).

The shares of Servtech Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Servtech Limited had an issued share capital of GBP 1,000. Servtech Limited has issued a total of 1,000 shares.

The current principal activity of the Company is that of inspection and maintenance services to the offshore energy industry. Although Servtech Limited is headquartered in the UK, Servtech Limited also undertakes overseas operations through its branches in Angola, Kazakhstan and China.

See "Overview of Group structure" for further details of the ownership structure.

#### Hawk Bidco (US) Inc.

Hawk Bidco (US) Inc. was incorporated on 5 September 2012 and is a corporation incorporated under the General Corporation Law of the State of Delaware in the Divisions of Corporations with reg. no. 5208123 with its registered office at 1209 Orange Street, in the City of Wilmington, County of New Castle, zip code 19801 and has no legal entity identifier (LEI).

The shares of Hawk Bidco (US) Inc. are denominated in USD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Hawk Bidco (US) Inc. had an issued share capital of USD 0.1. Hawk Bidco (US) Inc. has issued a total of 10 shares.

Hawk Bidco (US) Inc acts as an intermediate holding company for the Hawk Debtco Group of companies.

See "Overview of Group structure" for further details of the ownership structure.

#### ArranCo US LLC.

ArranCo US LLC was incorporated on 19 March 2008 and is a limited liability company incorporated under the General Corporation Law of the State of Delaware in the Divisions of Corporations with reg. no. 4521594 with its registered office at 1209 Orange Street, in the City of Wilmington, County of New Castle, zip code 19801 and has no legal entity identifier (LEI).

The shares of ArranCo US LLC. are denominated in USD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, ArranCo US LLC. had an issued share capital of USD 40,000,000. ArranCo US LLC. has issued a total of 40,000,000 shares.

ArranCo US LLC acts as an intermediate holding company for the Hawk Debtco Group of companies.

See "Overview of Group structure" for further details of the ownership structure.

#### Sparrows Offshore LLC

Sparrows Offshore LLC was incorporated on 11 July 2003 and is a limited liability company incorporated under the General Corporation Law of the State of Delaware in the Divisions of Corporations with reg. no. 3680898 with its registered office at 1209 Orange Street, in the City of Wilmington, County of New Castle, zip code 19801 and has no legal entity identifier (LEI).

The shares of Sparrows Offshore LLC are denominated in USD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Sparrows Offshore LLC. had an issued share capital of USD 13,350,000. Sparrows Offshore LLC. has issued a total of 13,350,000 shares.

Sparrows Offshore LLC's principal activities are the provision of specialist equipment and integrated engineering services and technology to the offshore energy, renewables and industrial markets. Sparrows Offshore LLC works across a variety of industry applications and specialise in delivering structured and bespoke solutions in the safety critical areas of cranes, lifting, wind turbine maintenance, mechanical handling, cable and pipe lay and fluid power.

Working across the asset life cycle Sparrows Offshore LLC design, manufacture, rent, sell, operate, maintain, inspect, certify, refurbish, upgrade, remove and replace equipment, and develop and train people.

See "Overview of Group structure" for further details of the ownership structure.

Sparrows Global Resources Pte. Ltd.

Sparrows Global Resources Pte. Ltd. was incorporated on 1 December 2010 and is a limited liability company operating under the laws of Singapore and registered with the Accounting and Corporate Regulatory Authority of Singapore with reg. no. 201025392C with its registered office at 112 Robinson Road, #05-01 Robinson 112, Singapore 068902 and has no legal entity identifier (LEI).

The shares of Sparrows Global Resources Pte. Ltd. are denominated in SGD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Sparrows Global Resources Pte. Ltd. had an issued share capital of SGD 1. Sparrows Global Resources Pte. Ltd. has issued a total of 1 share.

The principal activity of Sparrows Global Resources Pte. Ltd. is the provision of manpower services to other Group companies.

See "Overview of Group structure" for further details of the ownership structure.

Sparrows Offshore Services (Singapore) Pte. Ltd.

Sparrows Offshore Services (Singapore) Pte. Ltd was incorporated on 11 January 2008 and is a limited liability company operating under the laws of Singapore and registered with the Accounting and Corporate Regulatory Authority of Singapore with reg. no. 2008009165R with its registered office at 112 Robinson Road, #05-01 Robinson 112, Singapore 068902 and has no legal entity identifier (LEI).

The shares of Sparrows Offshore Services (Singapore) Pte. Ltd. are denominated in SGD. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Sparrows Offshore Services (Singapore) Pte. Ltd. had an issued share capital of SGD 220,000. Sparrows Offshore Services (Singapore) Pte. Ltd. has issued a total of 220,000 shares.

The principal activities of Sparrows Offshore Services (Singapore) Pte. Ltd. are provision of crane operation, maintenance and associated services to the offshore energy industry.

See "Overview of Group structure" for further details of the ownership structure.

Sparrows Offshore Services Limited

Sparrows Offshore Services Limited was incorporated on 14 April 1965 and is a limited liability company operating under the laws of England & Wales and registered with the Registrar of Companies for England & Wales with reg. no. 00845839 with its registered office at 30 Crown Place, London, United Kingdom, EC2A 4ES and has no legal entity identifier (LEI).

The shares of Sparrows Offshore Services Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Sparrows Offshore Services Limited had an issued share capital of GBP 37,817,501. Sparrows Offshore Services Limited has issued a total of 37,817,501 shares.

Sparrows Offshore Services Limited is a global provider of specialist equipment and integrated engineering services and technology to the offshore energy, renewables and industrial markets. Sparrows Offshore Services Limited work across a variety of industry applications and specialise in

delivering structured and bespoke solutions in the safety critical areas of cranes, lifting, wind turbine maintenance, mechanical handling, cable and pipe lay and fluid power.

Working across the asset life cycle Sparrows Offshore Services Limited design, manufacture, rent, sell, operate, maintain, inspect, certify, refurbish, upgrade, remove and replace equipment, and develop and train people.

Though headquartered in the UK, the company also undertakes overseas operations through its branches in Abu Dhabi, Qatar, Trinidad, Netherlands and Brunei.

See "Overview of Group structure" for further details of the ownership structure.

#### Sparrows India 2 Limited

Sparrows India 2 Limited was incorporated on 14 June 2011 and is a limited liability company operating under the laws of England & Wales and registered with the Registrar of Companies for England & Wales with reg. no. 07669779 with its registered office at 30 Crown Place, London, United Kingdom, EC2A 4ES and has no legal entity identifier (LEI).

The shares of Sparrows India 2 Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Sparrows India 2 Limited had an issued share capital of GBP 1. Sparrows India 2 Limited has issued a total of 1 share.

Sparrows India 2 Limited acts as an intermediate holding company within the Hawk Debtco Group of companies, a group of companies involved in crane operation, maintenance, and associated services to the offshore energy industry.

See "Overview of Group structure" for further details of the ownership structure.

#### Sparrows India 1 Limited

Sparrows India 1 Limited was incorporated on 14 June 2011 and is a limited liability company operating under the laws of England & Wales and registered with the Registrar of Companies for England & Wales with reg. no. 07669758 with its registered office at 30 Crown Place, London, United Kingdom, EC2A 4ES and has no legal entity identifier (LEI).

The shares of Sparrows India 1 Limited are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, Sparrows India 1 Limited had an issued share capital of GBP 1. Sparrows India 1 Limited has issued a total of 1 share.

Sparrows India 1 Limited acts as an intermediate holding company within the Hawk Debtco Group of companies, a group of companies involved in crane operation, maintenance and associated services to the offshore energy industry.

See "Overview of Group structure" for further details of the ownership structure.

### **Business and operations**

The Group was founded in 1946 in Bath, United Kingdom and the Group's business was originally based around providing services to crane operators in the Forties Oil Field in the North Sea. During the years between 1975 – 1999, the Company added its training facility services to its business and it also expanded its business to Angola, Australia and the UAE. During the period between 1999 – 2006,

the Group further expanded its business operations to North America, mainly in the Houston area. Furthermore, the Company has had an expansion phase during the period 2006 – 2016, during which the Group added seven new countries to its business operations. The Group's acquisition of Alpha in 2017 has also allowed for a global presence within the wind turbine services sector. The Group has had growth achieved and international opportunities identified in the renewables and industrial sectors and has established its presence across key growth areas including e.g. the UAE and Kazakhstan.

The Group is a global provider of specialist engineering, inspection, operations and maintenance services in three sectors; (a) the offshore energy sector, (b) the renewables sector and (c) the industrial sector. Furthermore, the Group operates a global business in a number of geographical locations throughout the world, including but not limited to, Europe, the US, South America, Western Africa, the Middle East, Australia and Asia.

The Group's main revenue can be derived from its offshore energy services, where the Group provides services critical to the steady functioning of offshore Oil and Gas platforms, which are often governed by long-term managed contracts (typically three or more years). The Group's business includes among other things, service, maintenance, repair and operation of cranes, inspection of equipment, refurbishment, mechanical handling and lifting solutions, to operators, EPC's (engineering, procurement, and construction), drilling and vessel owners in the upstream sector, on offshore energy production or exploration platforms.

Historically the Group has had its operations mainly focused on its services in connection to the production of offshore energy. In recent years the Group has diversified in to both industrial services and renewables services. However, the Group's services in the offshore energy markets is and will continue to be the Group's main source of income in the near future. The Group's objective in the Offshore Energy sector in the future is to be a first-choice provider of engineered lifting and mechanical handling solutions and grow its drilling equipment services business.

During the last few years the Group has focused on growing its industrial business, in particular in the US market, mainly in the Louisiana and Houston areas, where the Group already has offices. Subsequently, the Group can use its existing infrastructure to grow its industrial business in the US. The Group also has an existing industrial business in Australia as well as in Kazakhstan, and plans to further develop its European industrial business. The Group's services in the industrial market include, among other things, delivering engineering, equipment inspection, maintenance, refurbishment and specialist mechanical handling services in Heavy Industry & Refineries, Marine Ports & Harbours, Nuclear and Defence and minerals extraction end customers, to owners and operators of plant and equipment OEMs (original equipment manufacturers). The Group also provides training and competence services to companies in the industrial market on e.g. health and safety matters.

The Group's key target sectors/industries for its industrial services vary from region to region. In the APAC (mainly Australia) and Kazakhstan business, the key industries are identified as, among other things, refineries, mineral extraction and liquified natural gas (LNG) plants in addition to the key targets in the MEIC (mainly UAE and Saudi Arabia), such as power, construction, production/manufacturing and marine sectors.

In recent years, the Group has also developed a presence within the onshore and offshore wind turbine services industry following the Group's acquisition of Alpha Offshore in 2017. The acquisition of Alpha Offshore has established the Group's operations and maintenance capabilities in the renewables sector and Alpha Offshore has remained a separate legal entity within the Group. Most of the Group's business in respect of the renewables market is derived from the Alpha brand. The Group's

services in connection with onshore and offshore wind energy include, but are not limited to, wind turbine maintenance, blade services, installation and commissioning, main component exchanges, balance of plant services, training and cable and pipe lay services. The Group's onshore and offshore wind energy business is expected to continue to grow as the installed base of wind turbines increases and existing wind turbines get older, i.e. due to increased maintenance needs in the future.

## **Strategy and vision**

The Group has different expansion strategies and visions for the three sectors the Group operates business in. In respect of the Group's offshore energy business, the Group's objective is to be a leading provider of engineered lifting and mechanical handling solutions and grow its drilling equipment business. The Group believes that the MEICAP region presents the biggest growth opportunities in terms of the offshore energy market. The Group's drilling equipment services offering is also expected to open up new opportunities across the globe, but in particular in Singapore and the Middle East. In the Middle East, the Group has recently expanded its business into Saudi Arabia, and the Group has acquired relevant permits for its operations. The Saudi Arabian market is believed to present large potential growth opportunities for the Group. The Group will focus its efforts on higher margin project scopes in these markets, in the future. The Group expects its offshore energy operations to grow organically and a major part of the Group's future success in the offshore energy market is also its ability to retain existing contracts in key regions, such as its contracts in the North Sea.

In respect of the Group's renewables business, the objective of the Group is to expand its renewables business by broadening its customer base and establish operations in, among other places, the US and Australia. The Group's renewables business is currently predominantly located in the European region, and the Group will use its global infrastructure to expand its renewables business in order to achieve synergy benefits. Organic growth is expected to come from a combination of an increased market share from the Group's OEM (original equipment manufacturer) clients and an overall market growth resulting from new installations, and an increasing installed base. The Nordic region, especially Denmark, remains a core region for the Group's renewables business, based on Alpha's home strengths. The markets in which the Group seeks to expand in the future includes, but are not limited to, Europe, Australia, APAC and the US. Acquisitions in the US and Europe will be contemplated, from time to time, to accelerate growth.

In respect of the Group's onshore industrial business, the objective of the Group is to expand its industrial business by transferring its existing technical capability in such sector to the US, MEICAP, European and other markets. Organic growth is expected via further development of the US business and the start-up of the Group's European industrial business. The European market entry is based on, and will also be based on in the future, training, inspection services and lifting and mechanical handling integrity. Acquisitions may potentially occur, from time to time, to accelerate growth. Key target sectors for the Group's European industrial services include, but are not limited to, nuclear, marine, power generation, mineral extraction and construction and metal industries.

## **Share capital and ownership structure**

The shares of the Company are denominated in GBP. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Company had an issued share capital of GBP 24,403,184. The Company has issued a total of 24,403,184 shares.

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



<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
Hawk Noteco Limited	24,403,184	100.00 %	100.00 %
<b>Total</b>	<b>24,403,184</b>	<b>100.00 %</b>	<b>100.00 %</b>

Hawk Noteco Limited is controlled, and the Company is consequently also controlled, by investment vehicles owned or managed directly or indirectly by AEA Europe Fund II LP and AEA Investors Fund V LP.

Management shareholders – 0.0046 per cent.

The members of the board of directors of the Issuer and the management of the Issuer, direct and indirect, shareholdings are as follows:

- (a) Neil Johnson – 50 type A shares and 155 type B shares via Hawk Newco Limited, the parent company of Hawk Noteco Limited
- (b) Stewart Mitchell – 50 type A shares and 257 type B shares via Hawk Newco Limited, the parent company of Hawk Noteco Limited
- (c) Alex Hoffman – no shares in the Issuer.

### **Shareholders' agreements**

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

### **Overview of Group structure**

On the date of this Prospectus, the Issuer has, directly and indirectly, 23 wholly-owned subsidiaries.

Operations are conducted by the subsidiaries and the Issuer and the Guarantors (acting as holding companies) are thus dependent on its subsidiaries to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.



**Recent events**

There has been no recent event particular to the Group (including the Issuer and the Guarantors) which is to a material extent relevant to the evaluation of the Issuer's and/or or the Guarantors' solvency.

**Significant change and trend information**

There has been no material adverse change in the prospects of the Group (including the Issuer and the Guarantors) since the date of its last published audited financial statements and no significant change in the financial performance of the Group (including the Issuer and the Guarantors) since the end of the last financial period for which financial information has been published to the date of this Prospectus.

**Legal and arbitration proceedings**

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

**Credit rating**

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

## MANAGEMENT OF THE ISSUER

### The Company

On the date of this Prospectus the board of directors of the Issuer consisted of three members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

#### ***Neil Johnson, member of the board since 2014.***

**Education:** Neil holds a first-class honours degree in electrical and electronic engineering and is a member of the Institute of Chartered Accountants.

**Current commitments:** Group CFO of Sparrows.

#### ***Stewart Mitchell, member of the board since 2014.***

**Education:** Stewart is a Chartered Engineer, holds a degree in mechanical engineering and is a member of the Institute of Marine Engineering, Science & Technology.

**Current commitments:** Group CEO of Sparrows.

#### ***Alexander Hoffman, member of the board since 2012.***

**Education:** B.A. in French and German from Bristol University (Honors)

**Current commitments:** AEA Investors (UK) LLP, LSP Investco Limited, NES Global Talent Limited, Brook Street (CRC) Limited and LSP Acquisition (UK) Ltd.

### Management

#### ***Stewart Mitchell, CEO since 2014.***

See information in section "*Board of Directors*" subheading "*The Company*".

#### ***Neil Johnson, CFO since 2014.***

See information in section "*Board of Directors*" subheading "*The Company*".

## MANAGEMENT OF THE GUARANTORS

### The Guarantors

#### Hawk Noteco Limited

On the date of this Prospectus the board of directors of Hawk Noteco Limited consisted of three members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

#### Board of Directors

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Alexander Hoffman, member of the board since 2012.***

See information in section "*Management of the Issuer*".

#### Management

***Stewart Mitchell, CEO since 2014.***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014.***

See information in section "*Management of the Issuer*".

#### Hawk Holdco Limited

On the date of this Prospectus the board of directors of Hawk Holdco Limited consisted of three members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

#### Board of Directors

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Alexander Hoffman, member of the board since 2012.***

See information in section "*Management of the Issuer*".

#### **Management**

***Stewart Mitchell, CEO since 2014.***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014.***

See information in section "*Management of the Issuer*".

#### **ArranCo 3 Limited**

On the date of this Prospectus the board of directors of ArranCo 3 Limited consisted of two members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

#### **Board of Directors**

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

#### **Management**

***Stewart Mitchell, CEO since 2014.***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014.***

See information in section "*Management of the Issuer*".

#### **ArranCo 4 Limited**

On the date of this Prospectus the board of directors of ArranCo 4 Limited consisted of two members which have been elected by the general meeting. The board of directors and the senior management

can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

#### **Board of Directors**

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

#### **Management**

***Stewart Mitchell, CEO since 2014***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014***

See information in section "*Management of the Issuer*".

#### **Sparrows Offshore International Group Limited**

On the date of this Prospectus the board of directors of Sparrows Offshore International Group Limited consisted of two members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

#### **Board of Directors**

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

#### **Management**

***Stewart Mitchell, CEO since 2014***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014***

See information in section "*Management of the Issuer*".

## **Sparrows Angola Limited**

On the date of this Prospectus the board of directors of Sparrows Angola Limited consisted of two members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

### **Board of Directors**

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

### **Management**

***Stewart Mitchell, CEO since 2014***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014***

See information in section "*Management of the Issuer*".

## **Servtech Limited**

On the date of this Prospectus the board of directors of Servtech Limited consisted of two members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

## **Hawk Bidco (US) Inc.**

On the date of this Prospectus the board of directors of Hawk Bidco (US) Inc. consisted of four members which have been elected by the general meeting. The board of directors and the senior



management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2015.***

See information in section "*Management of the Issuer*".

***William Williams, chairman of the board since 2013.***

**Education:** B.A. in philosophy and juris doctorate degree

**Current commitments:** N/A

***Adam Wood, member of the board since 2020.***

**Education:** Management & Leadership Cert Programme

**Current commitments:** N/A

**Management**

***Stewart Mitchell, CEO since 2015***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014***

See information in section "*Management of the Issuer*".

**ArranCo US LLC.**

On the date of this Prospectus the board of directors of ArranCo US LLC. consisted of four members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

**Board of Directors**

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2015.***

See information in section "*Management of the Issuer*".

***William Williams, chairman of the board since 2013.***

See information in section "Board of Directors" subheading "Hawk Bidco (US) Inc."

***Adam Wood, member of the board since 2020.***

See information in section "Board of Directors" subheading "Hawk Bidco (US) Inc."

***Stewart Mitchell, CEO since 2015***

See information in section "Management of the Issuer".

***Neil Johnson, CFO since 2014***

See information in section "Management of the Issuer".

**Sparrows Offshore LLC.**

On the date of this Prospectus the board of directors of Sparrows Offshore LLC. consisted of four members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

**Board of Directors*****Neil Johnson, member of the board since 2014.***

See information in section "Management of the Issuer".

***Stewart Mitchell, member of the board since 2015.***

See information in section "Management of the Issuer".

***William Williams, chairman of the board since 2013.***

See information in section "Board of Directors" subheading "Hawk Bidco (US) Inc."

***Adam Wood, member of the board since 2020.***

See information in section "Board of Directors" subheading "Hawk Bidco (US) Inc."

**Management*****Stewart Mitchell, CEO since 2014***

See information in section "Management of the Issuer".

***Neil Johnson, CFO since 2015***

See information in section "*Management of the Issuer*".

### **Sparrows Global Resources Pte. Ltd.**

On the date of this Prospectus the board of directors of Sparrows Global Resources Pte. Ltd. consisted of three members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

#### **Board of Directors**

##### ***Neil Johnson, member of the board since 2015.***

See information in section "*Management of the Issuer*".

##### ***Stewart Mitchell, member of the board since 2015.***

See information in section "*Management of the Issuer*".

##### ***Lui Chin Yen, member of the board since 2014.***

**Education:** Member of Chartered Accountants Australia and New Zealand Member of Institute of Singapore Chartered Accountants

**Current commitments:** N/A

#### **Management**

##### ***Stewart Mitchell, CEO since 2015***

See information in section "*Management of the Issuer*".

##### ***Neil Johnson, CFO since 2015***

See information in section "*Management of the Issuer*".

### **Sparrows Offshore Services (Singapore) Pte. Ltd.**

On the date of this Prospectus the board of directors of Sparrows Offshore Services (Singapore) Pte. Ltd. consisted of three members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

#### **Board of Directors**

##### ***Neil Johnson, member of the board since 2015.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Lui Chin Yen, member of the board since 2008.***

See information in section "*Board of Directors*" subheading "*Sparrows Global Resources Pte. Ltd.*".

## **Management**

***Stewart Mitchell, CEO since 2014***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2015***

See information in section "*Management of the Issuer*".

## **Sparrows Offshore Services Limited**

On the date of this Prospectus the board of directors of Sparrows Offshore Services Limited consisted of three members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

### **Board of Directors**

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Ewen Kerr, member of the board since 2015.***

**Education:** Chartered Engineer (IET) Fellow of the Institution of Engineering and Technology

**Current commitments:** N/A

## **Management**

***Stewart Mitchell, CEO since 2014***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014***

See information in section "*Management of the Issuer*".

### **Sparrows India 2 Limited**

On the date of this Prospectus the board of directors of Sparrows India 2 Limited consisted of two members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

### **Management**

***Stewart Mitchell, CEO since 2014***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014***

See information in section "*Management of the Issuer*".

### **Sparrows India 1 Limited**

On the date of this Prospectus the board of directors of Sparrows India 1 Limited consisted of two members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom. Further information on the members of the board of directors and the senior management is set forth below.

### **Board of Directors**

***Neil Johnson, member of the board since 2014.***

See information in section "*Management of the Issuer*".

***Stewart Mitchell, member of the board since 2014.***

See information in section "*Management of the Issuer*".

### **Management**

***Stewart Mitchell, CEO since 2014***

See information in section "*Management of the Issuer*".

***Neil Johnson, CFO since 2014***

See information in section "*Management of the Issuer*".

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

To the extent that can be reasonably verified by the Company and the Guarantors, no conflict of interest exists regarding the private affairs, family relations, or any other kind, between members of the administrative and senior management bodies that might conflict with the Company's or the Guarantors' interests or prevent the aforementioned to faithfully execute their duties to the Company or the Guarantors.

Some members of the board of directors and management have private interests in the Issuer and the Guarantors by their holding of shares in the Issuer. The members of the board of directors and the management may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the members of the board of directors or the management may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a board meeting of the Issuer, a board member which has such a conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. In accordance with the laws of Sweden, the members of the board of directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer. Other than the aforementioned, none of the board members or the management has any private interests which may conflict with the interests of the Issuer.

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

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

## HISTORICAL FINANCIAL INFORMATION

### Historical financial information of the Issuer

The Group's consolidated financial statements for the financial year ended 31 December 2020 and the figures for the financial year ended 31 December 2019 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Issuer's website [www.sparrowsgroup.com/bondholder-information](http://www.sparrowsgroup.com/bondholder-information). Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2020 and the Issuer's financial statements for the financial year ended 31 December 2019 have been prepared in accordance with the Generally Accepted Accounting Principles in the United Kingdom ("**UK GAAP**").

The financial information included in this Prospectus has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and there may be material difference in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information. The financial information included in this Prospectus has been prepared in accordance with UK GAAP FRS 102, being the Issuer's national accounting standards.

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2020 and for the financial year ended 31 December 2019, the Group's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, pages 19-20;
- consolidated balance sheet, page 21;
- consolidated cash flow statement, page 25;
- consolidated statement of changes in equity, page 23;
- the audit report, pages 13-18; and
- notes, pages 26-54.

The specific information set out below (as also stated in section "*Other information*" subheading "*Documents incorporated by reference*" in this Prospectus) from the Company's financial statements for the financial year ended 31 December 2019 is incorporated into this Prospectus by reference. The other information set out in the financial statements for the financial year ended 31 December 2019 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the consolidated financial statements for the financial year ended 31 December 2020. For particular financial figures and information, please refer to the pages set out below:

- income statement, page 9;
- balance sheet, page 10;
- cash flow statement, pages 9-10;
- statement of changes in equity, page 11;
- the audit report, pages 7-8; and



- notes, pages 12-23.

### **Differences between accounting principles**

The financial information included in this Prospectus has been prepared in accordance with UK GAAP FRS 102, being the Issuer's national accounting standards. The key areas of differences between UK GAAP FRS 102 and IFRS are determined to be revenue recognition, lease accounting, financial instruments and goodwill amortisation.

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

The Company's consolidated financial statements as at present and for the years 2020 to 2019 have been audited, as applicable, by PricewaterhouseCoopers LLP ("**PwC**"), The Capitol, 431 Union Street, Aberdeen, AB11 6DA. PwC has been the Company's auditor since 2012, and was re-elected for an additional year on the latest annual general meeting. Richard Spilsbury is the auditor who is responsible for the Company. Richard Spilsbury is an authorised auditor and is a member of the professional body, the Institute of Chartered Accountants of England and Wales (ICAEW), the professional institute for the accountancy sector in England and Wales.

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

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

The most recent financial information has been taken from the consolidated financial statements for the financial year ended 31 December 2020, which was published on 30 April 2021 on the Issuer's website [www.sparrowsgroup.com/bondholder-information](http://www.sparrowsgroup.com/bondholder-information).

## Historical financial information of Hawk Noteco Limited

Hawk Noteco Limited's financial statements for the financial year ended 31 December 2020 and the figures for the financial year ended 31 December 2019 as set out below are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Issuer's website [www.sparrowsgroup.com/bondholder-information](http://www.sparrowsgroup.com/bondholder-information). Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

Hawk Noteco Limited's financial statements for the financial year ended 31 December 2020 and Hawk Noteco Limited's financial statements (and the Group's consolidated financial statements) for the financial year ended 31 December 2019 (being the Group's consolidated financial statements for the financial year ended 31 December 2019) have been prepared in accordance with the Generally Accepted Accounting Principles in the United Kingdom ("**UK GAAP**").

The financial information included in this Prospectus has not been prepared in accordance with International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002 and there may be material difference in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information. The financial information included in this Prospectus has been prepared in accordance with UK GAAP FRS 102, being the Issuer's national accounting standards.

Other than the auditing of Hawk Noteco Limited's financial statements for the financial year ended 31 December 2020 and for the financial year ended 31 December 2019, Hawk Noteco Limited's auditor has not audited or reviewed any part of this Prospectus.

Hawk Noteco Limited's financial statements for the financial year ended 31 December 2020 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- income statement, page 10;
- balance sheet, page 11;
- statement of changes in equity, page 12;
- the audit report, pages 7-9; and
- notes, pages 13-24.

The specific information set out below (as also stated in section "*Other information*" subheading "*Documents incorporated by reference*" in this Prospectus) from Hawk Noteco Limited's financial statements for the financial year ended 31 December 2019 is incorporated into this Prospectus by reference. The other information set out in the financial statements for the financial year ended 31 December 2019 is deemed to not be relevant for the purpose of the Prospectus Regulation as corresponding up to date information is included in the consolidated financial statements for the financial year ended 31 December 2020. For particular financial figures and information, please refer to the pages set out below:

- consolidated income statement, page 14;
- consolidated statement of total recognised gains and losses, page 15;
- consolidated balance sheet, page 16;
- Hawk Noteco Limited's balance sheet, page 17;
- consolidated cash flow statement, page 20;

- consolidated statement of changes in equity, page 18;
- Hawk Noteco Limited's statement of changes in equity, page 19;
- the audit report, pages 11-13; and
- notes, pages 21-47.

### **Differences between accounting principles**

The financial information included in this Prospectus has been prepared in accordance with UK GAAP FRS 102, being the Issuer's national accounting standards. The key areas of differences between UK GAAP FRS 102 and IFRS are determined to be revenue recognition, lease accounting, financial instruments and goodwill amortisation.

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

Hawk Noteco Limited's financial statements as at present and for the years 2020 to 2019 have been audited, as applicable, by PricewaterhouseCoopers LLP ("**PwC**"), The Capitol, 431 Union Street, Aberdeen, AB11 6DA. PwC has been Hawk Noteco Limited's auditor since 2012, and was re-elected for an additional year on the latest annual general meeting. Richard Spilsbury is the auditor who is responsible for the Company. Richard Spilsbury is an authorised auditor and is a member of the professional body, the Institute of Chartered Accountants of England and Wales (ICAEW), the professional institute for the accountancy sector in England and Wales.

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

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

The most recent financial information has been taken from the financial statements for the financial year ended 31 December 2020.

## OTHER INFORMATION

### Approval of the Prospectus

This Prospectus has been approved by the Swedish Financial Supervisory Authority as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus nor as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of EUR 110,000,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of EUR 150,000,000. Each Bond has a nominal amount of EUR 100,000. The ISIN for the Bonds is NO0010911928.

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

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and can be accessed on the Issuer's website [www.sparrowsgroup.com/bondholder-information](http://www.sparrowsgroup.com/bondholder-information).

### The Guarantors

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

- Hawk Noteco Limited is a limited liability company incorporated in Scotland since 23 August 2012, with reg. no. SC431040. Its registered address is 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom.
- ArranCo 3 Limited is a limited liability company incorporated in Scotland since 7 November 2007, with reg. no. SC333603. Its registered address is 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom.
- Hawk Bidco (US) Inc. is a limited liability company incorporated in the United States of America since 5 September 2012, with reg. no. 5208123. Its registered address is 1209 Orange Street, in the City of Wilmington, County of New Castle, zip code 19801.
- ArranCo US LLC is a limited liability company incorporated in the United States of America since 19 March 2008, with reg. no. 4521594. Its registered address is 1209 Orange Street, in the City of Wilmington, County of New Castle, zip code 19801.

- Hawk Holdco Limited is a limited liability company incorporated in Scotland since 23 August 2012, with reg. no. SC431513. Its registered address is 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom.
- ArranCo 4 Limited is a limited liability company incorporated in Scotland since 18 January 2008, with reg. no. SC336637. Its registered address is 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom.
- Sparrows Offshore International Group Limited is a limited liability company incorporated in Scotland since 10 March 2000, with reg. no. SC204815. Its registered address is 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom.
- Sparrows Offshore LLC is a limited liability company incorporated in the United States of America since 11 July 2003, with reg. no. 3680898. Its registered address is 1209 Orange Street, in the City of Wilmington, County of New Castle, zip code 19801.
- Sparrows Global Resources Pte. Ltd is a limited liability company incorporated in Singapore since 1 December 2010, with reg. no. 201025392C. Its registered address is 112 Robinson Road, #05-01 Robinson 112, Singapore 068902.
- Sparrows Offshore Services Limited is a limited liability company incorporated in England & Wales since 14 April 1965, with reg. no. 00845839. Its registered address is 30 Crown Place, London, United Kingdom, EC2A 4ES.
- Sparrows Angola Limited is a limited liability company incorporated in Scotland since 26 August 2003, with reg. no. SC254764. Its registered address is 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom.
- Sparrows India 2 Limited is a limited liability company incorporated in England & Wales since 14 June 2011, with reg. no. 07669779. Its registered address is 30 Crown Place, London, United Kingdom, EC2A 4ES.
- Sparrows India 1 Limited is a limited liability company incorporated in England & Wales since 14 June 2011, with reg. no. 07669758. Its registered address is 30 Crown Place, London, United Kingdom, EC2A 4ES.
- Servtech Limited is a limited liability company incorporated in Scotland since 22 May 1985, with reg. no. SC093422. Its registered address is 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom.
- Sparrows Offshore Services (Singapore) Pte Ltd is a limited liability company incorporated in Singapore since 11 January 2008, with reg. no. 2008009165R. Its registered address is 112 Robinson Road, #05-01 Robinson 112, Singapore 068902.

### **Material contracts**

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

## Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at [www.sparrowsgroup.com/bondholder-information](http://www.sparrowsgroup.com/bondholder-information):

- pages 19 – 54 from the Group's consolidated financial statements and audit report for the financial year ended 31 December 2020;
- pages 7 – 23 from the Company's financial statements and audit report for the financial year ended 31 December 2019;
- pages 10 – 24 from Hawk Noteco Limited's financial statements and audit report for the financial year ended 31 December 2020; and
- pages 11 – 47 from Hawk Noteco Limited's financial statements and audit report for the financial year ended 31 December 2019.

Information on any website referred to in this Prospectus (including, but not limited to, websites referred to in the Terms and Conditions) does not form part of this Prospectus unless that information is incorporated by reference into the Prospectus and has not been scrutinised or approved by the SFSA.

## Documents available for inspection

The following documents are available in electronic form on the Company's website [www.sparrowsgroup.com/bondholder-information](http://www.sparrowsgroup.com/bondholder-information) and at the Company's registered office at 13 Queen's Road, AB15 4YL Aberdeen, United Kingdom, on weekdays during the Company's regular office hours throughout the period of validity of this Prospectus:

- the Company's articles of association;
- the Company's certificate of registration;
- the Guarantors' certificates of registration;
- the Guarantors' articles of association;
- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2020 and the Company's financial statements and audit report for the financial year ended 31 December 2019;
- Hawk Noteco Limited's financial statements and audit report for the financial year ended 31 December 2020 and Hawk Noteco Limited's financial statements and audit report for the financial year ended 31 December 2019;
- this Prospectus;
- the Guarantee and Adherence Agreement; and

- the Terms and Conditions.

### **Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 350,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1.1 Definitions

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

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

**"Accounting Principles"** means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

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

**"Advance Purchase Agreements"** means:

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

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

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

**"Agent"** means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

**"Alpha Group"** means Sparrows Denmark Aps and its Subsidiaries from time to time.

**"Alpha Loans"** means:

- (a) a DKK 100,000,000 loan from Sparrows Offshore Services Limited to Sparrows Denmark Aps; and
- (b) a EUR 1,700,000 loan from Sparrows Offshore Services Limited to Alpha Offshore Service A/S.

**"Alpha Minority Shareholder"** means Lund Family Holding ApS (CVR no. 39 03 85 60).



"**Alpha Pledge**" means the pledge over the shares in Alpha Offshore Holding ApS dated 29 December 2017 and granted by Sparrows Denmark ApS to Sparrows Offshore Services Ltd, Alpha Offshore Holding APS and Lund Family Holding ApS as security for certain loans granted or to be granted by Sparrows Offshore Services Ltd and Lund Family Holding ApS and certain obligations to Alpha Offshore Holding APS.

"**Alpha SHA**" means the shareholders agreement regarding the shares in Sparrows Denmark ApS and Alpha Offshore Service A/S dated 29 December 2017 and made between the Alpha Minority Shareholder and Sparrows Offshore Services Ltd.

"**Bond**" means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

"**Bondholder**" means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 6 (*Bondholders' rights*).

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

"**Bond Issue**" means the Initial Bond Issue and any Subsequent Bond Issue.

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

"**Call Option Amount**" mean the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

"**Capital Markets Act**" means the Danish Capital Markets Act (Dk. *lov om kapitalmarkeder*), Consolidated Act no. 377 of 2 April 2020 as amended.

"**Cash and Cash Equivalents**" means, at any time, (i) cash in hand held by the Group or with a reputable bank credited to an account in the name of the Group and in each case to which the Group is beneficially and legally entitled (for the avoidance of doubt, not including e.g. any cash subject to a pledge or similar arrangement (excluding legal right to set-off) or any amount standing on client accounts), and (ii) short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value of the Group, provided in each case that, in relation to any Group Company not, directly or indirectly, wholly owned by the Issuer, cash attributable to minority interests shall not be included.

"**Change of Control Event**" means the occurrence of an event or series of events whereby one or more Persons, not being the Investors (or an Affiliate of the Investors), acting together, acquire control over the Issuer and where "**control**" means:

- (a) acquiring or controlling, directly or indirectly, more than 50.0 per cent of the shares of the Issuer; or
- (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

**"Compliance Certificate"** means a certificate to the Agent, in the agreed form between the Agent and the Issuer, signed by the an authorised signatory of the Issuer, certifying:

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated);
- (c) if the Compliance Certificate is provided in connection with a Financial Report, that the Maintenance Covenant is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated);
- (d) if the Compliance Certificate is provided in connection with the publication of the audited annual financial statements, confirmation of clean down of the Super Senior RCF in accordance with Clause 13.7 (*Clean Down of Super Senior RCF*); and
- (e) if the Compliance Certificate is provided in connection with the publication of the audited financial statements or the Group's quarterly interim unaudited report for the period ending 30 June, information on any new Material Group Company.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Verdipapirsentralen ASA, Norwegian reg. no. 985 140 421, Fred Olsens gate 1, NO-0152 Oslo, Norway.

**"CSD Business Day"** means a day on which the relevant CSD settlement system is open and the relevant Bond currency settlement system is open.

**"Debt Instruments"** means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market and/or Frankfurt Stock Exchange Open Market.

**"Delisting Event"** means, following an Equity Listing Event, the occurrence of an event or series of events whereby the Issuer's shares are delisted from a Regulated Market.

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any extraordinary items which are not in line with the ordinary course of business provided that such items are not in excess of an amount equal to ten (10) per cent. of EBITDA in the 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 derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) before taking into account any non-cash charges attributable to post-retirement benefit schemes;
- (h) before taking into account accrued but unpaid Monitoring Fees;
- (i) after adding back or deducting, as the case may be;
  - (i) 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 or liability including revaluation of claims due to f/x fluctuations; and
  - (ii) any f/x loss or f/x gain arising in connection with the repayment of the Existing Loan Facilities;
- (j) 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;
- (k) after including any rental/lease payments which would have applied in accordance with the accounting principles applicable prior to 1 January 2019 in relation to any type of leases which would have been treated as operating leases in accordance with the accounting principles applicable prior to 1 January 2019;
- (l) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (m) after adding back any amount attributable to the amortisation, depreciation, depletion or non-cash write-down of assets of members of the Group.

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

"Equity Injection" means the injection of cash in the form of a share issue, an unconditional shareholder contribution or Shareholder Loans (other than the Lund Shareholder Loans).

"Equity Listing Event" means an initial public offering of shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a regulated market or unregulated market.

"Event of Default" means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.10 (*Continuation of the Business*).

"Existing Loan Facilities" means the term and revolving facilities under a facilities agreement originally dated 24 September 2012 (as amended and restated from time to time) between, amongst others, the Issuer, HSBC Bank Plc as agent, HSBC Corporate Trustee Company (UK) Limited as security agent and certain financial institutions as Lender where the outstanding amount is approximately GBP 113,000,000.

"Final Maturity Date" means the date falling four (4) years after the First Issue Date.

**"Finance Charges"** means, for any Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of Financial Indebtedness paid or payable by any member of the Group (calculated on a consolidated basis) in cash or capitalised in respect of that Reference Period.

**"Finance Documents"** means:

- (a) these Terms and Conditions;
- (b) the Intercreditor Agreement;
- (c) the Agency Agreement;
- (d) the Proceeds Account Pledge Agreement;
- (e) the Security Documents;
- (f) the Guarantee and Adherence Agreement; and
- (g) any other document designated to be a Finance Document by the Issuer and the Agent.

**"Finance Leases"** means any finance lease, to the extent the arrangement would have been treated as a finance or a capital lease in accordance with the accounting principles applicable prior to 1 January 2019 (a lease which in the accounts of the Group is treated as an asset and a corresponding liability), and for the avoidance of doubt, any leases treated as operating leases under the accounting principles as applicable prior to 1 January 2019 shall not, regardless of any subsequent changes or amendments of the accounting principles, be considered as a finance lease.

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Lease;
- (c) receivables sold or discounted (other than receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account, provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a)-(f).

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

**"Financial Report"** means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 11.1(a)(i) and 11.1(a)(ii).

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

**"First Issue Date"** means 22 December 2020.

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

**"GBP"** means the lawful currency of the United Kingdom.

**"Group"** means the Issuer and each of its Subsidiaries from time to time and **"Group Company"** means any of them.

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

**"Guarantee and Adherence Agreement"** means the agreement to be entered into by the Guarantors and the Agent whereby each Guarantor will, subject to applicable laws, adhere to certain undertakings under the terms and conditions for the Bonds and irrevocably and unconditionally, jointly and severally, as principal obligor, guarantee to the bondholders and the Agent, the punctual performance of all obligors' obligations under the Senior Finance Documents.

**"Guarantors"** means initially each of:

- (a) Hawk Noteco Limited, a limited liability company incorporated in Scotland with reg. no. SC431040;
- (b) ArranCo 3 Limited, a limited liability company incorporated in Scotland with reg. no. SC333603;
- (c) Hawk Bidco (US) Inc, a limited liability company incorporated in United States of America with reg. no. 5208123;
- (d) ArranCo US LLC, a limited liability company incorporated in United States of America with reg. no. 4521594;
- (e) Hawk Holdco Limited, a limited liability company incorporated in Scotland with reg. no. SC431513;
- (f) ArranCo 4 Limited, a limited liability company incorporated in Scotland with reg. no. SC336637;
- (g) Sparrows Offshore International Group Limited, a limited liability company incorporated in Scotland with reg. no. SC204815;

- (h) Sparrows Offshore LLC, a limited liability company incorporated in United States of America with reg. no. 3680898;
- (i) Sparrows Global Resources Pte. Ltd, a limited liability company incorporated in Singapore with reg. no. 201025392C;
- (j) Sparrows Offshore Services Limited, a limited liability company incorporated in England & Wales with reg. no. 00845839;
- (k) Sparrows Angola Limited, a limited liability company incorporated in Scotland with reg. no. SC254764;
- (l) Sparrows India 2 Limited, a limited liability company incorporated in England & Wales with reg. no. 07669779;
- (m) Sparrows India 1 Limited, a limited liability company incorporated in England & Wales with reg. no. 07669758;
- (n) Servtech Limited, a limited liability company incorporated in Scotland with reg. no. SC093422; and
- (o) Sparrows Offshore Services (Singapore) Pte Ltd, a limited liability company incorporated in Singapore with reg. no. 2008009165R.

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

**"Initial Bond Issue"** means the issuance of the Initial Bonds.

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

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

**"Intercreditor Agreement"** means the intercreditor agreement entered into between, amongst other, the Issuer, the super senior RCF creditors under the Super Senior RCF, the facility agent under the Super Senior RCF, the Security Agent, the Agent (representing the Bondholders) and any provider of New Debt (as defined in the Intercreditor Agreement).

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

**"Interest Payment Date"** means 22 June and 22 December each year. The first Interest Payment Date shall be 22 June 2021. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full).

**"Interest Period"** means (i) 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 (ii) 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 10.50 per cent. *per annum*.

"**Investors**" means AEA Europe Fund LP or any funds managed and/or advised and/or controlled by AEA Europe Fund LP.

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

"**Issuer**" means Hawk Debtco Limited, limited liability company incorporated in Scotland with reg. no. SC431042.

"**Issuing Agent**" means Pareto Securities AB, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

"**Leverage Ratio**" means the ratio of Net Interest Bearing Debt to EBITDA.

"**Lund Shareholder Loans**" means (i) the loans from Lund Family Holding ApS relating to its initial investment in Sparrows Denmark ApS and distributions which have been lent back to Sparrows Denmark ApS in a total amount not exceeding DKK 100,100,000 in aggregate and, (ii) any loans from Lund Family Holding ApS arising in respect of certain contingent liabilities pursuant to the shareholder agreement relating to Sparrows Denmark ApS, in an amount of (A) EUR 5,600,000 in August 2022 and (B), on and from from February 2023, EUR 400,000 per month up until (and including) December 2024, in each case plus accrued interest.

"**Maintenance Covenant**" means the maintenance covenant set out in Clause 12.1 (*Maintenance Covenant*).

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

"**Material Adverse Effect**" means a material adverse effect on:

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the ability of the Issuer and the Guarantors taken as whole to comply their obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

"**Material Group Company**" means the Issuer, each Guarantor and any other Group Company with earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA representing 5.00 per cent or more of EBITDA calculated on a consolidated basis according to the latest annual audited consolidated financial statements of the Group.

"**Material Intra-Group Loans**" means any intercompany loans provided by the Issuer to any of its Subsidiaries where:

- (a) the term of the intercompany loan is at least 12 months; and
- (b) the principal amount thereof is at least in an amount exceeding GBP 1,000,000.

**"Monitoring Fee"** means a payment to any direct or indirect shareholder of the Issuer to cover external expenses of such direct or indirect shareholder relating to its holding in the Group (but not including any payment to its directors or any fees to the Investor).

**"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 Equivalents.

**"Net Interest Bearing Debt"** means the consolidated interest bearing Financial Indebtedness (excluding (i) any Shareholder Loans, (ii) any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and, (iii) interest bearing Financial Indebtedness borrowed from any Group Company) less Cash and Cash Equivalents of the Group.

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

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

**"Obligors"** means the Issuer and each Guarantor.

**"Paying Agent"** means NT Services AS, reg. no. 916 482 574, Kronprinsesse Märthas plass 1, 0160 Oslo, Norway.

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

- (a) incurred under the Bonds (except for any Subsequent Bonds);
- (b) 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;
- (c) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions, the Super Senior RCF and/or pursuant to paragraph (g) of Permitted Debt, but not any transaction for investment or speculative purposes;
- (d) arising under any interest rate hedging transactions in respect of payments to be made under the Terms and Conditions, the Super Senior RCF and/or pursuant to paragraph (g) of Permitted Debt, but not any transaction for investment or speculative purposes;
- (e) incurred under Advance Purchase Agreements;



- (f) incurred under any Shareholder Loan;
- (g) incurred by the Issuer if such Financial Indebtedness (i) is incurred as a result of a Subsequent Bond Issue and meets the Incurrence Test on a *pro forma* basis, or (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents, and (A) meets the Incurrence Test on a *pro forma* basis (B) has a final maturity date or a final redemption date; and (C) when applicable, early redemption dates or instalment dates, in each case of (B) and (C) which occur on or after the Final Redemption Date;
- (h) taken up from a Group Company;
- (i) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (j) incurred under any any pension liabilities;
- (k) incurred under any Super Senior RCF in an aggregate amount not exceeding GBP 15,000,000;
- (l) incurred pursuant to any Finance Leases incurred in the ordinary course of the Group's business in a maximum amount of GBP 1,000,000;
- (m) incurred as a result of any Group Company acquiring another entity and which is due to such acquired entity holding indebtedness, provided that the Incurrence Test is met on a *pro forma* basis if tested immediately after the making of that acquisition, and provided that the acquired debt is converted into equity or refinanced by the Issuer, by way of issuance of Subsequent Bonds or as otherwise permitted under the Terms and Conditions, within three (3) months following the date of the acquisition;
- (n) up until disbursement of the Net Proceeds, incurred under the Existing Loan Facilities; and
- (o) any other Financial Indebtedness incurred by Group Companies not in aggregate exceeding GBP 1,000,000.

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

- (a) provided under the Senior Finance Documents;
- (b) up until of the disbursement of the Net Proceeds, provided under the Proceeds Account Pledge Agreement;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);

- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including any group cash pool arrangements;
- (e) provided for debt permitted under paragraph (m) of Permitted Debt but only over assets held, directly or indirectly, by such acquired entity;
- (f) provided over any assets being subject to a Finance Lease, permitted pursuant to paragraph (l) of the definition of "Permitted Debt";
- (g) up until disbursement of the Net Proceeds, provided for the Existing Loan Facilities;
- (h) provided in relation to any lease agreement entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (i) granted under the Alpha Pledge; and
- (j) provided pursuant to items (b), (c), (d), (j) and (o) of the definition of Permitted Debt.

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

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

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

**"Quotation Day"** means, in relation to any period for which an interest rate is to be determined, two (2) CSD Business 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; or
- (b) for the purpose of casting a vote with regard to Clause 16 (*Decisions by Bondholders*), the date falling on the immediate preceding CSD Business Day to the date of that Bondholders' decision being made, or another date as accepted by the Agent.

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

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

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

**"Regulated Market"** means any regulated market as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended).

**"Restricted Payment"** has the meaning set forth in Clause 13.2(a).

**"Secured Obligations"** shall have the meaning given to such term in the Intercreditor Agreement.

**"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 Securities Depository 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.

**"Securities Depository Act"** means the Norwegian Securities Depository Act (*lov om registrering av finansielle instrumenter (lov 05.07.2002 no. 64)*).

**"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, appointed by the Secured Parties pursuant to the Intercreditor Agreement, holding the Transaction Security on behalf of the Secured Parties, being Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden on the First Issue Date.

**"Security Documents"** means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

**"Senior Finance Documents"** shall have the meaning set out in the Intercreditor Agreement.

**"Shareholder Loans"** means (i) the Lund Shareholder Loans and (ii) any shareholder loan to the Issuer as debtor, if such shareholder loan:

- (a) is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Redemption Date.

**"Sole Bookrunner"** means Pareto Securities AB.

**"Subsequent Bond Issue"** has the meaning set forth in Clause 2(e).

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

**"Subsidiary"** means, in respect of which such Person, directly or indirectly (i) owns shares or ownership rights representing more than fifty (50) per cent of the total number of votes held by the owners, (ii) otherwise controls more than fifty (50) per cent of the total number of votes held by the owners or (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

**"Super Senior RCF"** has the meaning given thereto in the Intercreditor Agreement.

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

**"Transaction Costs"** means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other Group Company in connection with (i) any Bond Issue, (ii) the listing of the Bonds, (iii) an Equity Listing Event, (iv) the Super Senior RCF and, (v) the refinancing of the Existing Loan Facilities.

**"Transaction Security"** means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being:

- (a) share security over all shares in the Issuer and each Guarantor (other than Hawk Noteco Limited);
- (b) share security over 67.56 % of the shares in Sparrows Denmark Aps;
- (c) an assignment agreement relating to Sparrows Offshore Services Limited's rights under the Alpha Pledge, the Alpha SHA and the Alpha Loans;
- (d) security over the assets (by way of a floating charge or debenture (or the equivalent in each jurisdiction)) in the Issuer and each Guarantor; and
- (e) pledge over Material Intra-Group Loans from the Issuer.

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

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;

- (v) a provision of law is a reference to that provision as amended or re-enacted;
  - (vi) a time of day is a reference to Stockholm time; and
  - (vii) any reference to the "Security Agent" in Clause 20 (*Appointment and Replacement of the Agent and the Security Agent*), other than in Clause 20.1(a)(ii) and Clause 20.1(b), shall not be applicable to the extent stated otherwise in the Intercreditor Agreement.
- (b) When ascertaining whether a limit or threshold specified in EUR 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 EUR for the previous CSD Business Day, as published by the European Central Bank on its website [www.ecb.europa.eu](http://www.ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.
  - (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.
  - (d) No delay or omission of the Agent, 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) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

## 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 Bond is EUR 100,000 (the "**Nominal Amount**"). The total Nominal Amount of the Initial Bonds is EUR 110,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.
- (d) The minimum permissible investment in the Initial Bond Issue is EUR 100,000.
- (e) Provided that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed EUR 150,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent

Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.

- (f) The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except (A) those obligations which are mandatorily preferred by law and (B) the super senior ranking of the Super Senior RCF in accordance with the Intercreditor Agreement.
- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

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

- (a) The proceeds from the Initial Bond Issue shall be used to:
  - (i) finance Transaction Costs.
  - (ii) refinance the Existing Loan Facilities; and
  - (iii) finance general corporate purposes,
- (b) The proceeds from any Subsequent Bond Issue shall be used to:
  - (i) finance general corporate purposes; and
  - (ii) finance Transaction Costs.

### **4. Conditions Precedent**

- (a) The Agent shall instruct the Paying Agent to transfer the Bonds to the Sole Bookrunner following the receipt of a copy of the Terms and Conditions duly executed by the parties thereto.
- (b) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected. The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in this Clause 4(b) has been satisfied. Following receipt by the Issuing Agent of such confirmation, the Issuing Agent shall pay the Net Proceeds to the Proceeds Account.
- (c) The Issuer shall provide, or procure the provision of, to the satisfaction of the Agent:

- (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Finance Documents, duly executed;
  - (iii) evidence by way of a release letter that the security existing in favour of the Existing Loan Facilities will be released and discharged upon repayment of the Existing Loan Facilities;
  - (iv) evidence that the Transaction Security either has been or will be perfected in accordance with the terms of the Finance Documents;
  - (v) a copy of a funds flow statement signed by the Issuer, evidencing that payments in accordance with purpose of the Bond Issue will be made immediately following disbursement of the Net Proceeds from the Proceeds Account;
  - (vi) an agreed form Compliance Certificate; and
  - (vii) legal opinion(s) on the capacity and due execution of each party (which is a Group Company) to a Finance Document, the validity and enforceability of the Finance Documents and the role of the Security Agent in such jurisdiction, in each case issued by a reputable law firm (if applicable), in form and substance satisfactory to the Agent.
- (d) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4(c) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4(c) above from a legal or commercial perspective of the Bondholders.
- (e) When the conditions precedent for disbursement set out in Clause 4(c) have been received to the satisfaction of the Agent (acting reasonably), the Agent shall provide written notice to the Issuer and instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account for the purpose set out in Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account.
- (f) If the conditions precedent for disbursement set out in Clause 4(c) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within 60 Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4(f). Any shortfall shall be covered by the Issuer. The repurchase date shall fall no later than thirty (30) Business Days after the ending of the 60 Business Days period referred to above.

## 5. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in dematerialized form in the CSD according to the Securities Depository Act and the requirements of the CSD. Registration requests relating to the Bonds shall be directed to the Paying Agent or an Account Operator.
- (b) The Issuer shall at all times ensure that the registration of the Bonds in the CSD is correct and shall as soon as practicably possible after any amendment or variation of these Terms and Conditions give notice to the CSD of any such amendment or variation.
- (c) In order to carry out its functions and obligations under these Terms and Conditions, the Agent will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD (subject to applicable law).

## 6. Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Agent.
- (b) A Bondholder (whether registered as such or proven to the Agent's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Agent shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 6 (*Bondholders' rights*) and may assume 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) The Issuer will unconditionally make available to or to the order of the Agent and/or the Paying Agent all amounts due on each payment date pursuant to the terms of these Terms and Conditions at such times and to such accounts as specified by the Agent and/or the Paying Agent in advance of each payment date or when other payments are due and payable pursuant to these Terms and Conditions.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the relevant Record Date, by, if no specific order is made by the Agent, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) If a payment date to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary have been set out for such payment in the relevant Finance Document.



- (d) 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 without any default interest in accordance with Clause 8(c) during such postponement.
- (e) 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.
- (f) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **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 (or the First Issue Date if there is no such Interest Payment Date) 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 however, if such day falls on a day which either of the relevant CSD settlement system or the relevant currency settlement system are not open, the payment shall be made on the first following possible day on which both of the said systems are open.
- (c) Interest shall be calculated on the basis of a 360-day year comprised of twelve months of 30 days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent, the Paying Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, 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 CSD Business Day, then the redemption shall occur on the first following CSD Business Day.

### **9.2 Issuer's purchase of Bonds**

The Issuer and any Group Company may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer or any

Group Company may at the Issuer's or such Group Company's discretion be retained or sold but not cancelled (other than in connection with a total redemption of all Bonds).

### **9.3 Voluntary total redemption (call option)**

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the First Issue Date to, but excluding, the First Call Date at an amount per Bond equal to 105.25 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to, but excluding, the First Call Date, together with accrued but unpaid Interest;
  - (ii) any time from and including the First Call Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 105.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the first Business Day falling 36 months after the First Issue Date at an amount per Bond equal to 103.675 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (iv) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 102.10 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. The notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent which must be fulfilled at least three (3) CSD Business Days prior to the Redemption Date. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant Record Date to, but excluding, the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant Record Date shall be agreed upon between the Issuer, the CSD, the Paying Agent and the Agent in connection with such repayment.

### **9.4 Mandatory repurchase due to a Change of Control Event and Delisting Event (put option)**

- (a) Upon the occurrence of a Change of Control Event and/or Delisting Event 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 sixty (60) days following a notice from the Issuer of the Change of Control Event and/or Delisting Event pursuant to Clause 11.1(f) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event and/or Delisting Event.

- (b) The notice from the Issuer pursuant to Clause 11.1(f) shall specify the repurchase 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 shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(f). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.4(a).
- (c) 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 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained or sold but not cancelled (other than in connection with a total redemption of all Bonds).

## **10. Transaction Security and Guarantees**

- (a) Subject to the Intercreditor Agreement, as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and the Guarantors grants the Transaction Security and the Guarantees (as applicable) to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents and the Guarantee and Adherence Agreement (as applicable).
- (b) The Security Agent shall hold the Transaction Security and the Guarantees on behalf of the Secured Parties in accordance with the Security Documents, the Guarantee and Adherence Agreement and the Intercreditor Agreement (as applicable). The Issuer shall, and shall procure that the Guarantors will, enter into and perfect the Transaction Security in accordance with the terms of Security Documents.
- (c) Unless and until the Security Agent has received instructions to the contrary in accordance with the Intercreditor Agreement, the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security or the Guarantees, creating further Security or Guarantees for the benefit of the Secured Parties or for the purpose of settling the Bondholders', the super senior RCF creditor's under the Super Senior RCF, the creditors' under any New Debt, the hedge counterparties' under the Hedging Agreements or the Issuer's rights to the Transaction Security or the Guarantees, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.

- (d) The Agent shall be entitled to give instructions relating to the Transaction Security and the Guarantees to the Security Agent in accordance with the Intercreditor Agreement.

## 11. Information to Bondholders

### 11.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Group:
- (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (*Sw. bokslutskommuniké*) (as applicable), including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (iii) as soon as practicable following an acquisition or disposal of Bonds by a Group Company, the aggregate Nominal Amount held by Group Companies.
- (b) The first Financial Report to be delivered pursuant to paragraph (a)(ii) above shall be delivered on a date falling no later than two (2) months after 31 December 2020.
- (c) Any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (if applicable) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (d) When the Bonds have been listed on a Regulated Market:
- (i) the information set out in Clause 11.1(a) shall also be made available by way of press release; and
  - (ii) the reports referred to in Clause 11.1(a)(i) and Clause 11.1(a)(ii) shall be prepared in accordance with IFRS.
- (e) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (f) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event and/or Delisting Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.

- (g) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (h) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with each Financial Report that is made available; and
  - (iii) in connection with the incurrence of Financial Indebtedness as set out in item (g) of the definition of Permitted Debt.
- (i) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (h) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) The Issuer is only obliged to inform the Agent according to this Clause 11.1 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 11.1.

## **11.2 Information from the Agent**

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2(b), 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.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

### 11.3 Publication of Finance Documents

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

## 12. Financial Undertakings

### 12.1 Maintenance Covenant

The Issuer shall ensure that:

- (a) the Leverage Ratio is equal to or less than:
  - (i) 5.75x from the First Issue Date until (and including) the date falling 12 months after the First Issue Date;
  - (ii) 5.50x from (but excluding) from the date falling 12 months after the First Issue Date until (and including) the date falling 24 months after the First Issue Date;
  - (iii) 5.25x from (but excluding) from the date falling 24 months after the First Issue Date until (and including) the date falling 36 months after the First Issue Date; or
  - (iv) 5.00x from (but excluding) from the date falling 36 months after the First Issue Date until (and including) the Final Redemption Date; and
- (b) no Event of Default is continuing.

### 12.2 Testing of the Maintenance Covenant

The Maintenance Covenant shall be calculated in accordance with the Accounting Principles applicable to the Issuer (for the avoidance of doubt, other than in respect of Finance Leases which will be calculated in accordance with the accounting principles applicable to the Issuer prior to 1 January 2019) and tested on each Reference Date with respect to the Reference Period ending on such Reference Date by reference to the Financial Report and Compliance Certificate delivered in respect of that Reference Period. The first Maintenance Test shall be in relation to the Reference Period ending on December 31, 2020.

### 12.3 Equity Cure

- (a) If there is a breach of the Maintenance Covenant, no Event of Default will occur if, within thirty (30) Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with the Terms and Conditions, the Issuer has received an Equity Injection in an amount sufficient to ensure compliance with the Maintenance Covenant, as at the relevant Reference Date (the "**Cure Amount**") in accordance with paragraph (b) below.

- (b) Following the receipt of any Cure Amount, the calculation of the Leverage Ratio shall be adjusted so that the Net Interest Bearing Debt for the Reference Period is reduced by an amount equal to the Cure Amount.
- (c) Any Equity Cure must be made in cash and no more than two (2) Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

#### 12.4 Incurrence Test

The Incurrence Test is met if:

- (a) the Leverage Ratio is equal to or less than:
  - (i) 4.00x from the First Issue Date until (and including) the date falling 24 months after the First Issue Date;
  - (ii) 3.75x from (but excluding) from the date falling 24 months after the First Issue Date until (and including) the date falling 36 months after the First Issue Date; or
  - (iii) 3.50x from (but excluding) from the date falling 36 months after the First Issue Date until (and including) the Final Redemption Date; and
- (b) no Event of Default is continuing or would occur upon the incurrence.

#### 12.5 Testing of the Incurrence Test

The Leverage Ratio for purpose of the Incurrence Test shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than three (3) months prior to the incurrence of new Financial Indebtedness; and
- (b) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness and 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).

#### 12.6 Calculation Adjustments

- (a) The figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Report shall be used for the Maintenance Covenant Test and Incurrence Test, but adjusted so that:
  - (i) entities acquired by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included, *pro forma*, for the entire Reference Period; and
  - (ii) entities disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be excluded, *pro forma*, for the entire Reference Period.

- (b) Net Interest Bearing Debt on any Reference Date shall be determined by using the average daily exchange rate displayed at Bank of England's website ([www.bankofengland.co.uk](http://www.bankofengland.co.uk)) during the relevant Reference Period.

## 13. General Undertakings

### 13.1 General

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

### 13.2 Restricted Payments

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
- (i) pay any dividend in respect of its shares;
  - (ii) repurchase or redeem any of its own shares (provided that the Group may repurchase shares from management and/or employees in an aggregate maximum amount of GBP 1,000,000 during the tenor of the Bonds);
  - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
  - (iv) grant any loans, other than:
    - (A) in the ordinary course of business;
    - (B) the Alpha Loans; or
    - (C) to employee benefit trusts in an aggregate amount of GBP 500,000 during the tenor of the Bonds),
  - (v) repay any Shareholder Loans or pay capitalised or accrued interest thereunder; or
  - (vi) make any other similar distribution or transfers of value (including any payment of the Monitoring Fee) to the direct or indirect shareholders of the Issuer, or any Affiliates of the Issuer,

(paragraphs (i)-(vi) above are together and individually referred to as a "**Restricted Payment**").

- (b) Notwithstanding the above, a Restricted Payment may be made:
- (i) if made to the Issuer or a direct or indirect Subsidiary of the Issuer but, 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
  - (ii) in an amount not exceeding GBP 100,000 (or the equivalent thereof in any other currency) in each financial year to meet administrative costs, directors'



expenses, tax, professional fees and any regulatory costs provided that no Event of Default is outstanding or would result as a result of such payment.

### **13.3 Listing:**

The Issuer shall use its best efforts to ensure that:

- (a) the Initial Bonds are listed on:
  - (i) a Regulated Market within 12 months after the issuance of such Bonds; and
  - (ii) the corporate bond list of Frankfurt Open Market no later than 60 days after the First Issue Date with an intention to list within 30 days;
- (b) any Subsequent Bonds are listed on:
  - (i) the relevant Regulated Market no later than 60 days after the issuance of such Subsequent Bonds with an intention to list within 30 days (unless such Subsequent Bonds are issued prior to the date falling 12 months from the First Issue Date in which case they shall be listed within 12 months from the First Issue Date); and
  - (ii) Frankfurt Stock Exchange Open Market no later than 60 days after the issuance of such Subsequent Bonds with an intention to list within 30 days, and
- (c) the Bonds, if admitted to trading on a Regulated Market and/or Frankfurt Stock Exchange Open Market, continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and/or Frankfurt Stock Exchange Open Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

### **13.4 Nature of Business**

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

### **13.5 Financial Indebtedness**

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

### **13.6 Disposal of Assets**

The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of any shares in any Group Company or of any substantial assets or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

### 13.7 Clean Down of Super Senior RCF

The Issuer shall procure that during each calendar year there shall be a period of three (3) consecutive days during which the amount outstanding under Super Senior RCF (excluding any non-cash elements of ancillary facilities), less Cash and Cash Equivalents of the Group, amounts to zero (0) or less. Not less than 6 (six) months shall elapse between two such periods.

### 13.8 Accession of Guarantors

- (a) The Issuer shall, within 60 days from:
- (i) the delivery of the Compliance Certificate delivered in connection with:
    - (A) the Group's annual audited consolidated financial statements; and
    - (B) the Group's quarterly interim unaudited report for the period ending 30 June each year; and/or
  - (ii) the completion of an acquisition of any company which would have been a Material Group Company based on the Group's and the acquired company's most recent audited financial statements,

ensure that each Material Group Company (as set out in such Compliance Certificate or otherwise stated in in connection with (A) – (B) above but excluding any member of the Alpha Group) or acquired company accedes to the Guarantee and Adherence Agreement, that the shares of such Material Group Company or acquired company are pledged in favour of the Bondholders (subject to customary financial assistance and corporate benefit limitations) and that each such Material Group Company or acquired company grants a floating charge (or the equivalent in each jurisdiction) provided that such shall not be granted to the extent this triggers any stamp duty, tax or notarial fee deemed not to be insignificant.

- (b) At the request of the Issuer, any Group Company may at any time become a Guarantor if (i) it accedes to the Guarantee and Adherence Agreement, (ii) the shares of such Group Company are pledged in favour of the Bondholders (subject to customary financial assistance and corporate benefit limitations) and (iii) that Group Company grants a floating charge (or the equivalent in each jurisdiction) provided that such shall not be granted to the extent this triggers any stamp duty, tax or notarial fee deemed not to be insignificant.
- (c) The Issuer shall procure that relevant corporate authorisation documents and legal opinion(s) on the capacity and due execution in relation to any party, the validity and enforceability of any Security Documents and the role of the Security Agent in such jurisdiction, in each case issued by a reputable law firm (if applicable) are delivered to the Agent in connection with such accession and the granting of such security (in form and substance satisfactory to the Agent).

### 13.9 Negative Pledge

The Issuer shall not, and shall procure that no other Group Company will, provide, prolong or renew any security over any of its/their assets (present or future), provided however that the Group have a right to provide, retain, prolong or renew, any Permitted Security.

### **13.10 Dealings at arm's length terms**

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

### **13.11 Compliance with laws and authorisations**

The Issuer shall, and shall make sure that each other Group Company will (i) comply with all laws and regulations applicable from time to time and, (ii) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence, registration or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

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

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.11 (*Acceleration of the Bonds*)) is an Event of Default.

### **14.1 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:

- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is made within five (5) CSD Business Days of the due date.

### **14.2 Maintenance Covenant**

The Issuer has failed to comply with the Maintenance Covenant and such failure has not been cured in accordance with provisions for the equity cure set out in Clause 12.3 (*Equity Cure*).

### **14.3 Other Obligations**

A party (other than the Agent and the Security Agent) fails to comply with the Finance Documents, in any other way than as set out in Clauses 14.1 (*Non-Payment*) and 14.2 (*Maintenance Covenant*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within twenty (20) Business Days of the earlier (i) the Issuer or that party becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds due and payable without such prior written request).

### **14.4 Cross payment default and Cross-acceleration**

Any Financial Indebtedness of a Group Company is:

- (a) not paid when due as extended by any originally applicable grace period (if there is one); or

- (b) declared to be due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Event of Default will occur under this Clause 14.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 3,000,000 (or the equivalent thereof in any other currency) or (ii) the Financial Indebtedness is owed to a Group Company.

#### **14.5 Insolvency**

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

#### **14.6 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 Business Days of commencement or, if earlier, the date on which it is advertised and (ii), proceedings or petitions concerning a claim which is less than EUR 3,000,000 (or the equivalent thereof in any other currency), and (iii), in relation to Subsidiaries, solvent liquidations) in relation to:

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

#### **14.7 Mergers and demergers**

A decision is made that any Group Company shall enter into a merger or be demerged if such merger or demerger is likely to have a Material Adverse Effect provided that (i) a merger between Subsidiaries (only) that is made subject to existing security or, (ii) a merger between the Issuer and a Subsidiary that is made subject to existing security with the Issuer as the surviving entity shall not be an Event of Default and a merger (where the Issuer is not the surviving entity) or a demerger involving the Issuer shall always be considered an Event of Default.

#### **14.8 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 3,000,000 (or the equivalent thereof in any other currency) and is not discharged within 60 Business Days.

#### 14.9 Impossibility or Illegality

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

#### 14.10 Continuation of the Business

The Issuer or any Material Group Company ceases to carry on its business (other than as permitted under the Finance Documents), if such discontinuation is likely to have a Material Adverse Effect.

#### 14.11 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing but subject to the terms of the Intercreditor Agreement, the Agent is entitled to, and shall following an instruction given pursuant to Clause 14.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.11(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).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (5) 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 twenty (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 16 (*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.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) 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.
- (f) Subject to the Intercreditor Agreement, in the event of an acceleration of the Bonds in accordance with this Clause 14.11, the Issuer shall up to, but excluding, the First Call Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration

occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

## 15. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security or the Guarantees (in the case of Guarantees to the extent proceeds from the Guarantees can be applied towards satisfaction of the Secured Obligations) shall be distributed in accordance with the Intercreditor Agreement.
- (b) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds or the enforcement of the Transaction Security or the Guarantees constitute escrow funds (*Sw. redovisningsmedel*) and must be promptly turned over to the Security Agent to be applied in accordance with the Intercreditor Agreement.
- (c) If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 7(a) shall apply.

## 16. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the CSD Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a Bondholder, or the beneficial owner thereof having presented relevant evidence to the Agent pursuant to Clause 6 (*Bondholders' rights*):

- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (ii) on the CSD Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,

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

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) 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) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, EUR 150,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
  - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(f) to 2(h);
  - (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (iv)** a change to the Interest Rate or the Nominal Amount;
  - (v) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
  - (vi) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
  - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
  - (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (ix) subject to the Intercreditor Agreement, a release of the Transaction Security or the Guarantees, except in accordance with the terms of the Security Documents and/or the Guarantee and Adherence Agreement (as applicable);
  - (x) a mandatory exchange of the Bonds for other securities; and
  - (xi) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 16(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 19(a)(i) or 19(a)(ii)), an acceleration of the Bonds and the enforcement of any Transaction Security or Guarantees.

- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16(e), and otherwise twenty (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.

If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.
- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as 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 costs and expenses reasonably 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, shall be paid by the Issuer.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (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 Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **17. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder through the CSD no later than five (5) CSD Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five (5) CSD Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **18. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) CSD 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 the Bondholders through the CSD.

- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the CSD Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 19. Amendments and Waivers

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case 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 the Agent and/or the Security Agent (as applicable) is satisfied that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The 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 19(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*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, to the extent such registration is possible with the rules of the relevant CSD.

- (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.

## **20. Appointment and Replacement of the Agent and the Security Agent**

### **20.1 Appointment of Agent and the Security Agent**

- (a) By subscribing for Bonds, each initial Bondholder:
  - (i) appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees; and
  - (ii) confirms the appointment under the Intercreditor Agreement of the Security Agent to act as its agent in all matters relating to the Transaction Security, the Security Documents, the Guarantees and the Guarantee and Adherence Agreement, including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security and the Guarantees and acknowledges and agrees that the rights, obligations, role of and limitations of liability for the Security Agent is further regulated in the Intercreditor Agreement.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in paragraph (a) above.
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent (as applicable)), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's and the Security Agent's respective obligations as Agent

and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

- (f) Each of the Agent and the Security 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.
- (g) Each of the Agent and the Security Agent is appointed as agent and representative (Dk. *fuldmægtig og repræsentant*) for the Bondholders pursuant to Chapter 4 of the Danish Capital Markets Act (Dk. *kapitalmarkedsloven*) (as amended, supplemented and/or replaced from time to time) under and in connection with the Bonds. The Agent shall be registered with the Danish Financial Supervisory Authority in accordance with the Capital Markets Act and the Issuer and the Agent shall provide all information required by the Danish Financial Supervisory Authority (Dk. *Finanstilsynet*) for registration in the Danish Financial Supervisory Authority's register of Representatives (Dk. *Finanstilsynets register over repræsentanter for obligationsudstedelser*).

## 20.2 Duties of the Agent and the Security Agent

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents and the Guarantees pursuant to the Guarantee and Adherence Agreement on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content, valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.
- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Agent nor the Security Agent is 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 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, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.

- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security 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) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security 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 or the Transaction Security which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and/or the Security Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of Proceeds*).
- (h) The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreements and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- (i) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (j) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) 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 or the Security Agent (as applicable) 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.
- (k) Unless it has actual knowledge to the contrary, each of the Agent and the Security 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.
- (l) Each of the Agent and the Security 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 or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 20.2(j).
- (m) The Agent may instruct the CSD to split the Bonds to a lower nominal amount in order to facilitate partial redemptions, restructuring of the Bonds or other situations.

### **20.3 Limited liability for the Agent and the Security Agent**

- (a) Neither the Agent nor the Security Agent will be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. Neither the Agent nor the Security Agent shall be responsible for indirect loss.
- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it 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) Neither the Agent nor the Security Agent shall 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 it to the Bondholders, provided that it 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 it for that purpose.
- (d) Neither the Agent nor the Security Agent shall have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent or the Security 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 any other Person.

### **20.4 Replacement of the Agent and the Security Agent**

- (a) Subject to Clause 20.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 20.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or a successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the CSD 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/or the Security Agent and appointing a

new Agent and/or the new Security Agent (as applicable). 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 and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.

- (d) If the Bondholders have not appointed a successor Agent and/or successor Security Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or the successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Agent and/or successor Security Agent may reasonably request for the purposes of performing its functions as Agent and/or the Security Agent (as applicable) under the Finance Documents.
- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or the successor Security Agent (as applicable) and acceptance by such successor Agent and/or the successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security 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 and/or the Security Agent (as applicable). 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 and/or the Security Agent.
- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the new Security Agent may reasonably require for the purpose of vesting in such new Agent and/or the new Security Agent (as applicable) the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or the retiring Security Agent (as applicable) from its respective further obligations under the Finance Documents. Unless the Issuer and the new Agent and/or the new Security Agent agrees otherwise, the new Agent and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the retiring Security Agent (as applicable).

## **21. Appointment and Replacement of the CSD**

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.

- (b) The CSD may retire from its assignment or be dismissed by the Issuer provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder.

## 22. Appointment and Replacement of the Paying Agent

- (a) The Issuer appoints the Paying Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Bonds.
- (b) The Paying 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 Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is Insolvent, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying 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 the 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 (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 23(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take such actions (however, any action taken by a Bondholder must always be permitted under the Intercreditor Agreement) (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1(c)), within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2(j), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2(l) before a Bondholder may take any action referred to in Clause 23(a).
- (c) The provisions of Clause 23(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event and Delisting Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## 24. Prescription

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any



funds set aside for payments in respect of which the Bondholders' right to receive payment has been prescribed and has become void.

- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## 25. Notices and Press Releases

### 25.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
  - (ii) if to the Issuer, shall be given at the address notified by the Issuer to the Agent no later than on the Business Day prior to dispatch or 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:
    - (A) if made by the Agent, be sent to the Bondholders via the CSD with a copy to the Issuer. Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD; or
    - (B) if made by the Issuer, be sent to the Bondholders via the Agent or through the CSD with a copy to the Agent.
- (b) 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, or if between the Issuer and the Agent, by email, and will only be effective:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1(a);
  - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1(a); or
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## 25.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 11.1(f), 14.11(c), 16(o), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 25.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders by notice to the Issuer give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## 26. Force Majeure and Limitation of Liability

- (a) None of the Agent, the Security Agent or the Paying 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, the Security Agent or the Paying Agent itself takes such measures, or is subject to such measures.
- (b) The Paying Agent shall have no liability to the Bondholders if it has observed reasonable care. The Paying 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, the Security Agent or the Paying Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the applicable securities registration legislation which provisions shall take precedence.

## 27. Governing Law and Jurisdiction

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

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