



**gamigo AG**

relating to the listing of

up to EUR 50,000,000  
Senior Secured Floating Rate Bonds due 2022

ISIN: SE0011614445

**Issuing Agent and Sole Bookrunner**



Prospectus dated 6 December 2018

**IMPORTANT NOTICE:**

This prospectus (the "**Prospectus**") has been prepared by gamigo AG (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Germany, having its headquarters located at the address, Behringstraße 16b, 22765 Hamburg, with reg. no. HRB 105628, in relation to the application for the listing of the senior secured floating rate bonds denominated in EUR (the "**Bonds**") on the corporate bond list on NASDAQ Stockholm Aktieföretag, 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 the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) (the "**Trading Act**") and the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council (the "**Prospectus Regulation**"). The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") pursuant to the provisions of Chapter 2, Sections 25 and 26 of the Trading Act. Approval and registration by the SFSA does not imply that the SFSA guarantees that the factual information provided in this Prospectus is correct and complete. This Prospectus has been prepared in English only and is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus is available at the SFSA's website (fi.se) and the Issuer's website (gamigo.com).

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 45 (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 and references to "**SEK**" refer to Swedish Krona.

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

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

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

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

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

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

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## RISK FACTORS

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

*As stated above, this Prospectus contains various forward-looking statements, including statements regarding the intent, opinion, belief or current expectations of the Group or its management with respect to, among other things, (i) the Group's target market, (ii) evaluation of the Group's markets, competition and competitive position, (iii) trends which may be expressed or implied by financial or other information or statements contained herein. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance and outcomes to be materially different from any future results, performance or outcomes expressed or implied by such forward-looking statements.*

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

### **Market specific risks**

#### **Consumer behaviour**

The sales of the Group's products are dependent upon the buying power, purchase patterns and user behaviour of its end consumers. Changes in customers' strategies or purchasing patterns may adversely affect the Group's net sales. The willingness of consumers to purchase the Group's products and use its services may decrease due to external factors, such as a general downturn in the economy, which affect the consumers buying power or purchase patterns. If the willingness of end consumers to buy the Group's products decreases, it will have an adverse effect on the Group's sales, earnings and financial position. The Group's possibility to compete depends upon the Group's ability to anticipate future market changes and trends and to rapidly react on existing and future market needs. If the Group fails to meet the competition from new and existing companies or fails to react to market changes or trends, there is a risk that this will have an adverse effect on the Group's business, earnings or financial position.

#### **Competition**

The market for online and mobile games, in which the Group is active, is subject to strong competition and is characterised by rapid change. The market is also highly fragmented. The market in Germany and abroad includes a large number of small and medium-sized providers of online and mobile games. The Group is competing with some large companies, but also with medium-sized companies, and internationally active providers of online and mobile games are increasingly trying to gain market shares in the Group's business segments. In addition, the

concentration process in the market has accelerated in recent years as a result of takeovers of providers of various sizes. If this process continues, the existing price and competitive pressure would intensify further.

Some existing competitors have had a comparatively longer period of business activity, and have a comparatively higher level of awareness, a broader customer base and/or significantly larger financial and technical resources. There is a risk that competitors will be able to react faster to new or developing technologies or standards and to changes in customer requirements, or spend more resources on the development, marketing, acquisition of game licenses and distribution of online and mobile games, and/or offer competitive online and mobile games at a lower price.

In view of the expected growth rates, there is a risk that other providers that have so far been active exclusively in other, possibly adjacent markets and in some cases have considerably higher technical and financial resources may decide to enter the same sub-market as the Group or offer corresponding platform services in that sub-market due to the increasing acceptance of online and mobile games.

Furthermore, there is a risk that new competitors may enter the market or new alliances may form between competitors that could gain significant market share in a short period of time. There is a risk that increased competition would lead to price pressure, reduced margins and a loss of market share.

Should any of these risks materialise, it would have an adverse effect on net assets, financial position and results of operations of the Issuer.

#### **Competition in portals specialising in casual games**

The Group offers so-called casual games on specialised portals, which are generally not exclusively licensed by game developers. The business model is based on the fact that these games are available for a limited period of time (usually for one hour) free of charge. Players can then continue using the full version of the game for a flat fee. There is a risk that these or comparable games may be offered on the market free of charge by other publishers, for example due to the insertion of advertisements. As a result, there is a risk that the casual games offered on these specialised portals would become less attractive to players. The occurrence of this risk would have an adverse effect on the net assets, financial position and results of operations of the Issuer.

#### **Other forms of entertainment**

In the game publishing division in particular, the Group is not only competing with other providers of online and mobile games with its range of products and services, but also with other providers in the entertainment industry such as providers of console games and so-called social media providers as well as traditional, non-computer-supported forms of games (offline), TV entertainment, film and television. Although the market for online and mobile games has been growing in recent years, there is a risk that other forms of entertainment will again be increasingly preferred by customers over online and mobile games in the future. Should a broader customer base increasingly turn to other forms of entertainment, this would have a negative effect on the business activities, the assets and/or the financial position of the Issuer.

**Changing technologies and customer requirements**

The market for online and mobile games and the market for platform services in which the Group is active are rapidly changing business areas. It is characterised by rapidly changing technologies, new technologies (e.g. virtual reality, augmented reality and streaming), new hardware or network or software compatibility requirements, frequent introductions of improved or new online and mobile games and platform services as well as constantly changing and new customer requirements. The success of the Group therefore depends crucially on identifying new trends and developments in good time, constantly improving existing online and mobile games as well as platform services, including new games and platform services in the product range in good time, adapting to rapidly changing customer requirements and, in particular, attracting and retaining large numbers of paying players, publishers and developers for the platform services. In particular, the Group must be in a position to recognise changing customer wishes and requirements in good time and adapt the games and platform services offered accordingly at short notice and constantly improve, expand and update them with new features in such a way that both paying and non-paying players as well as publishers and developers find this attractive. The Group is also dependent on the availability of development partners, their quality and their willingness to further optimise games and platform services in the long term.

If the Group is not able to successfully introduce new technologies and/or games and platform services to the market or to further optimise the technologies, games and/or platform services already offered and publish successful updates, the competitive position and growth opportunities of the Group would be adversely affected. Moreover, there is a risk that the Group will not sufficiently meet the demand and/or expectancy of the Group's customers in the different markets in which the Group operates. The consideration of regional or target group specific characteristics including the different languages represents an additional challenge with regard to the identification and implementation of trends. This requires the use of technical, human and financial resources.

Any delay or prevention of the introduction of improved or new technologies, games and/or platform services into the product offering or their lack or delayed market acceptance as well as any incorrect introduction of technologies would have a negative impact on the Issuer's business, financial position and results of operations.

**Fraud software, hacking and/or other unfair activities**

There is a risk that customers of the Group or third parties will attempt to prevent or negatively influence the use of the online and mobile games and platform services offered by the Group by using fraud software, hacking and/or other unfair activities such as distributed denial of service attacks (DDOS) and/or to provide participants with advantages over other players within the scope of the games. Furthermore, there is a risk that user data will be stolen and used without permission as a result of a hacking attack. Furthermore, there is a risk that service lines will fail and the corresponding services will no longer be made available or will be interrupted up to a loss of control over the Group's infrastructure.

There is a risk that customers or third parties try to lure players to other websites with fake offers, such as offering virtual goods and virtual currencies for computer games via websites operated by third parties. If more virtual goods are offered in the context of such transactions, this could lead to players no longer or to a lesser extent acquiring their virtual goods via the platforms of the Group. This would have a negative impact on business activity. Furthermore,

the Group is only in a limited position to monitor the trading of virtual goods outside its own platforms. There is a risk that players will also be harmed in such transactions.

As a provider of online and mobile games and platform services, the Group is also exposed to the risk that games distributed on their respective platforms may be illegally copied and offered on other platforms. If games are played on platforms other than those operated by the Group or are played in counterfeit games, the Group cannot guarantee that this can be switched off or prevented with the result that income will be lost.

The dissemination of counterfeit offers and the illegal copying of offers by the Group may also result in the reputation of the Group's own platform as well as the games offered suffering and the interest of players in the Issuer's offers dwindling. As a result, there is a risk that the games offered would become less attractive to players and lose overall interest in the online and mobile games and platform services offered by the Issuer.

The occurrence of one or several of these risks would have an adverse effect on the net assets, financial position and results of operations of the Issuer.

**Violation of legal framework conditions, data protection, consumer protection, protection of minors, licensing law and gambling**

In the respective markets, the Group is confronted with a multitude of frequently changing and constantly increasing legal conditions affecting the business activities of the Group, in particular with regard to data protection, consumer protection, protection of minors, licensing law and gambling.

Numerous legal provisions concern the collection, processing and responsibility for the content and protection of data, in particular personal data. In view of the need for special protection of personal rights on the Internet, legal risks will arise, particularly in connection with the extensive possibilities of collecting and storing personal data and linking and evaluating it with other usage data to form comprehensive customer and user profiles. In the absence of not always clear legal requirements or established case law, it is sometimes impossible to make a clear distinction between personal and other data. Notable is also that a new European Union regulation regarding personal data has entered into force in 2018. The new regulation includes stricter sanctions for breach of the regulation, and the fines may amount to the higher of EUR 20 million and four per cent. of the global turnover of the Group.

There is also the risk that third parties will obtain and use customer-related data or other information by circumventing the internal security systems which is part of the Issuer's business secrets. Should data from customers, 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 Issuer, there is a risk that this would impair the reputation of the Issuer and thus of the entire Group in the public eye and in particular result in players refraining from making use of the Group's services.

Furthermore, there are risks in connection with non-compliance with, or the tightening of legal provisions on consumer protection law on the Internet. For example, German lawmakers recently implemented the provisions of the Consumer Rights Directive (VRRL) on the right of withdrawal for distance contracts. Among other things, the law now expressly regulates under which conditions the consumer has a right of withdrawal for digital services (computer programs, games, music).

The online and mobile games offered by the Group are subject to certain provisions with regard to the protection of minors in the respective sales countries. In Germany, for example, the associations of the computer game industry carry out a voluntary self-administration audit of the computer and video games intended for publication in the Federal Republic of Germany. The procedure for testing computer and video games is based on the principles of entertainment software self-control (USK).

Should the Group fail to comply with the legal provisions, in particular in the aforementioned areas, in the respective sales markets and/or should the regulatory environment worsen, this would have adverse effects on the Issuer's net assets, financial position and results of operations.

#### **Violent crimes and gambling addiction problems**

The Group operates in a market that is highly dependent on public perception. Thus, violent crimes are regularly associated with the consumption of violent online and mobile games by the perpetrators of violent crimes by the press and in the context of social discussion. The more violent crimes associated with the use of online and mobile games, the greater the risk that the image of the games industry will change adversely. This can also be the result of public discourse on gambling addiction problems, for example with regard to sleep losses or the ingestion of performance-enhancing substances, in connection with online and mobile games. A negatively developing image of the games industry would mean that fewer and fewer customers are prepared to use the online and mobile games offered by the Group and to purchase virtual goods in the process. Therefore, a negatively developing image of the gaming industry would have a negative effect on the Issuer's business activities, its net assets, financial position and results of operations.

Furthermore, European regulators are questioning whether video games featuring so called "lootboxes" are the equivalent of gambling. Loot boxes are packages containing digital items for use in-game, that can be earned by playing or by purchase. The items inside each virtual box are randomized, with odds of encountering each set by the developer — some especially rare items come with long odds. In some cases, the items inside a loot box can enhance the player's gameplay, creating an added incentive to spend real money to acquire a digital item faster. Belgium and the Netherlands have already declared that loot boxes violate their national gambling laws and have banned the practice. A similar wider ban would have a negative effect on the Issuer's business activities, its net assets, financial position and results of operations.

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

##### **Malfunctions and/or the failure of IT systems and/or networks.**

The Group uses complex IT systems and data centre services throughout its business operations and relies on functioning IT systems, hardware and networks to provide its services. The implementation of business activities via the internet and electronic data processing is essentially based on stable data availability, fast transmission of data and a technically stable Internet connection as well as well-functioning hardware. The functionality of the servers used by the Group and the associated hardware and software infrastructure is of considerable importance for business activities and their attractiveness to customers. Errors and weaknesses of existing hardware and software cannot be excluded. The business activities of the Group may also be significantly impaired by breakdowns or disruptions to IT systems and networks as a result of hardware destruction, system crashes, software problems, virus attacks, intrusion of



unauthorised persons (hackers, DDOS attacks and other digital attacks of this type) into the system, or comparable malfunctions. This can cause considerable costs. Even if the Group internally can secure itself against this through SLAs, there is a risk that the Group cannot adequately guarantee its services due to the lack of reliability, security and availability of its IT infrastructure. Each of these risks would adversely affect the net assets, financial position and results of operations of the Issuer.

#### **Platform services**

As part of its "platform services", the Issuer offers game developers and game publishers a comprehensive modular range of services that extends from payment processing, via lead generation and marketing, to customer relationship management. Should the services offered by the Issuer within the framework of these "platform services" show defects or be of bad quality, there is a risk that game developers and game publishers or other customers using these services will be lost as customers of this platform, resulting in revenue losses. Furthermore, there is a risk that successfully asserted claims arising from breaches of the contractual relationship for the services of "platform services" would oblige the Issuer to pay substantial damages. Even the assertion by customers or third parties that the Issuer provides its platform services incorrectly could lead to economic damage. In addition, the reputation of the Issuer would suffer considerable damage in the event of disruptions in the context of "platform services". The occurrence of one or more of these risks would have a negative effect on the net assets, financial position and results of operations of the Issuer.

#### **There is a risk of impairment losses recognised in income due to impairment tests**

The Issuer has on its balance sheet various assets, intangible assets and goodwill. These assets, intangible assets and goodwill are generally subject to an impairment risk which must be tested as part of mandatory impairment tests. At present, the value in use of the assets and goodwill concerned exceeds the carrying amounts. Should the value in use of the assets or goodwill fall below the book values, the amount of the book values would have to be adjusted accordingly in the balance sheet of the Issuer in accordance with the applicable accounting standard. Future assets and goodwill, e.g. due to acquisitions of companies or parts of companies, would also have to be corrected with an effect on expenses. Impairment of assets and goodwill due to adjustments to the value in use of the assets would have a negative impact on the Issuer's net assets, financial position and results of operations.

#### **Dependency on certain games in the game publishing division**

The success of the Group in the game publishing division, which generated around two thirds of the Group sales, currently depends crucially on the success of the five games "Fiesta Online", "Aura Kingdom", "Desert Operations", "Grand Fantasia" and "Shaiya". The success of the Group is therefore dependent on the success of these games, so that the failure or absence of success or the non-renewal of the licenses or technical problems would lead to a loss of sales even for one of the aforementioned games and thus have a negative effect on the net assets, financial position and results of operations of the Issuer.

#### **Dependency on the number of paying players**

The online and mobile games offered by the Group are in many cases free of charge. The Issuer only generates revenues from the games offered if the players purchase virtual goods that improve or embellish the playing possibilities for the players or the characters they play or accelerate the progress of the game using a previously purchased virtual currency. The Group's success therefore depends on a high proportion of players being prepared to purchase virtual currency and thus virtual goods with real money.

Should it therefore not be possible to attract a sufficient number of players who are prepared to purchase virtual currency and thus virtual goods or should a lack of attractiveness of the virtual goods offered result in fewer and fewer players being prepared to purchase virtual currency and thus virtual goods, this would have an adverse effect on the Issuer's net assets, financial position and results of operations.

#### **Ability to maintain a successful games portfolio**

Since the Group mainly licenses online and mobile games that were developed by third parties, the availability of new games is dependent on the availability of licenses. The online and mobile games offered by the Group are produced in particular by external development studios and offered by the Group on the basis of licenses. If new licenses are not available on the market for the Group or these newly licensable games are not technically flawless, this would have a negative effect on business activity. In the event that a new game is still in development when licensed there is a risk that game concepts turn out to be not feasible or not marketable in early stages of the development. Delays in the start of a new game as well as increases of related cost can have a negative impact on business development. There is also the risk that new game projects would have to be cancelled.

In addition, the Group also acquires companies with licenses for online and mobile games that generate revenues. The ability to obtain licenses through such acquisitions depends crucially on the availability of those companies that have market-ready and technically flawless game licenses.

The online and mobile games operated and marketed by the Group may ultimately contain programming errors that are only detected after the start of marketing or after an update/patch has been installed. There is a risk that programming errors would adversely affect the gaming experience and lead to a loss of (willing to pay) players and/or to non-payment.

The occurrence of one or more of these risks would have a negative impact on the net assets, financial position and results of operations of the Issuer.

#### **Technical risks in connection with the portals specialising in casual games**

The casual games offered on specialised portals can be unlocked via a user account and then downloaded for playing. If the technology behind this unlocking process (download client for games) is no longer compatible with updated Windows operating system versions, there is a risk that interested players will no longer be able to download games via the specialised portals. There is also a risk that the user account control of the Windows operating system will make it difficult or impossible for the service to run smoothly.

The occurrence of one or more of these risks would adversely affect the business activities in the area of offering casual games and thus negatively affect the net assets, financial position and results of operations of the Issuer.

#### **Marketing**

The success of the Group depends largely on the success of the online and mobile games offered. New players are attracted in particular by online marketing measures, but also by means of TV campaigns and social media channels, whose success thus plays a key role. According to the Issuer, the marketing environment is difficult. There is increasing competition for advertising space. There are also more and more forms of advertising / platforms, increasing regulations

and technical requirements, fraud by marketing partners and the associated quality reductions and cost increases. If the online, TV or social media marketing measures do not have the desired success with the consequence that fewer players are won through this marketing channel or customer acquisition becomes more expensive or inefficient, this would have an adverse effect on the business activities and thus negatively affect the Issuer's net assets, financial position and results of operations.

#### **Dependency on the success and development of its managers and specialists**

The implementation of the business strategy and corporate objectives and thus the development of the Issuer is based in particular on the knowledge, skills and experience of the current executives (Management Board and other executives below the Management Board). There is a risk that the Issuer will not succeed in retaining management within the Group or, if necessary, in attracting new management. If one or more managers leave the Issuer and/or switch to competitors, there is a risk that valuable knowledge, skills and experience will be lost and/or made available to competitors. Furthermore, there is a risk that difficulties in the search for suitable new managers would have an impact on the Group's competitiveness and thus have adverse consequences for the economic development of the Issuer.

The Issuer is also dependent on qualified specialists, in particular in the areas of IT, marketing, sales and game management. Should such professionals leave the Group, the Issuer may be unable to recruit qualified professionals on reasonable terms and to a sufficient extent, which would impair its competitiveness and hinder its growth.

There is a risk that the loss of specialists and executives as well as difficulties in finding new specialists and executives, if necessary, will have a negative impact on the Issuer's net assets, financial position and results of operations.

#### **Infringement of intellectual property rights of third parties**

There is a risk that a company of the Group will infringe the property rights of third parties, that third parties may assert claims against the Group based on the infringement of property rights or that a Group company could be sued in connection with legal disputes. This may result in the Group's products and/or services being unable or delayed to be commercialised. Even the assertion by third parties that the Group infringes the industrial property rights of third parties could lead to economic damage due to the decisive role that industrial property rights play in the industry in which the Group operates. IP proceedings can involve complex factual and legal issues and often have an uncertain outcome. Such legal disputes will also involve time, personnel and cost expenditure and may dissuade the Issuer from its actual business activities. Third parties could assert claims arising from the infringement of their patents or other intellectual property rights due to actions by the company or its employees and file lawsuits against the companies of the Group. The occurrence of one or more of these risks would have a negative impact on the net assets, financial position and results of operations of the Issuer.

#### **Acquisitions**

The Issuer plans to expand its offerings and thus its business activities through further targeted acquisitions of companies or parts of companies, whereby these acquisitions will be made either by the Issuer itself or through any of its subsidiaries.

The acquisition of companies and shareholdings as well as the purchase of company assets involves certain risks. There is a risk that the risks associated with an acquisition or asset purchase will arise or materialise at a later date that were not identified or misjudged during the

previous audit or that are not covered by guarantees given. In such a case, the corresponding warranty period may already have expired or recourse to the seller or may not be possible for other reasons.

Furthermore, there is a risk that significant employees or key persons of the acquired companies will leave the acquired company as a result of the acquisition by the Issuer or its subsidiary, so that goals that were to be achieved with the acquisition can no longer be achieved due to the loss of these significant employees or key persons.

The occurrence of one or more such risks would have a negative impact on the net assets, financial position and results of operations of the Issuer.

#### **Further risk relating to the integration of newly acquired companies or part of companies**

Following the acquisition of a company or part of a company, it may become apparent that the competence of the management of the acquired company has been misjudged or the integration into the Group is not successful and does not meet the expectations of the Group or that the Group has misjudged the market position, games quality, earnings potential, profitability, customer loyalty to the company, the growth opportunities of the company, or other significant factors. Also restructuring processes might be slower or more difficult, or more expensive than expected, also there might be unforeseen costs or charges. Such misjudgements may also relate to the feasibility of the strategy underlying the respective acquisition. In such a case, not only would the achievement of the targets targeted by the Group with the acquisition be significantly jeopardized, but also the value of the investment as a whole.

In addition, the organisational integration of further companies into the Group can be associated with considerable time and financial expenditure. It may also not be possible to achieve the desired synergy effects to the planned extent.

The realization of one or more such integration risks would have a negative impact on the net assets, financial position and results of operations of the Issuer.

#### **Internal organisational structures and management processes**

The continuous further development of appropriate internal organisational structures and management processes presents the Group with challenges and ties up a considerable part of its management resources. The systems in place at the Group for planning, controlling and monitoring business activities currently only meet the requirements and organisation that would be appropriate for the intended size and business activity to a limited extent. To this extent, these systems must be set up or - if they exist - adapted and expanded.

The Group has a risk monitoring system in place to minimise operational risks. Due to the planned expansion, the risk management system including Group controlling must be constantly expanded with regard to the exchange of information as well as the recording and processing of performance and financial data of the Group companies. There is a risk that the expansion of the risk management system will not succeed adequately to expand the portfolio or in time, so that possibly risk-relevant information on new projects may not become known, not fully or not in time. In addition, every risk management system involves the risk that this is partially or completely inadequate or fails and therefore risks are not recorded, recognized and incorrectly assessed or have an impact on the business activities of the Group to an extent other than expected.

If the Issuer does not succeed in developing its internal planning, management and control systems and risk management systems in a timely and appropriate manner, or if errors occur in the adaptation of these systems, there is a risk that this would lead to undesirable business and administrative developments or wrong decisions.

The realisation of one or more of these risks would have an adverse effect on the net assets, financial position and results of operations of the Issuer.

#### **The possibility of using the domains could be adversely affected**

The Issuer also markets its online and mobile games via its own domains. The marketing of the games via the internet requires that the domains function smoothly and that their use is neither legally nor in fact adversely affected. Any disruption, interruption or significant impairment of the possibility of using the Group's domains would have a direct adverse effect on business activity and have a negative effect on the net assets, financial position and results of operations of the Issuer.

#### **Dependency on functioning settlement partners**

The Group operates and markets online and mobile games in its game publishing division. The main source of income in this business area is the sale of virtual goods. With regard to the acquisition of these virtual goods, the Group is dependent on cost-effective and functioning billing partners (so-called payment providers). The costs and risks of settlement via these settlement partners are sometimes comparatively high. In addition, the Group offers payment services in the area of platform services in cooperation with payment providers. Payment providers are also at risk with regard to technical malfunctions, the temporary or structural failure of technical platforms, systems, data stocks and billing systems as well as the risk of the solvency of the billing partner. There are also risks with regard to liability due to e.g. system failures, fraud attempts and hacker attacks on the billing partner.

Failure of a settlement partner would adversely affect the processing of the services offered by the Group and thus the business activities until a new settlement partner is found. In this case, the Group could not fulfil its services or could only fulfil them with considerable delays. Furthermore, the Group could be forced to accept less favourable conditions from another billing partner. In such a case, payment defaults may also occur.

Each of these risks would have an adverse effect on the net assets, financial position and results of operations of the Issuer.

#### **Political risks and risks from various legal systems**

The Group currently has subsidiaries in the USA, Poland and Turkey and sells its games and services worldwide. Furthermore, a large proportion of the online and mobile games distributed by the Group are being developed in China, Korea, Russia, Taiwan and various other countries. As a result of this, risks arising at the branch, sales and production locations could also have a negative impact on the Group's business development. The political, social, economic and/or legal framework conditions at the production sites and distribution countries could change to the detriment of the Group. For example, trade restrictions, limited protection of intellectual property, currency control regulations or changes in customs regulations or increases in customs duties may have a negative impact on the Group's business activities. These location and country risks may also result in foreign subsidiaries or production and sales sites being temporarily unable to perform their services or only to a limited extent. Furthermore, the integration of foreign accounting systems can also involve considerable time and cost.

Similarly, adverse changes with regard to the other conditions important for procurement, distribution and production, such as economic stability, exchange rates, infrastructure and the availability and in particular the costs of skilled workers in these countries, could worsen.

In this way, social and political developments in the production countries lead to an increase in production costs due to an increase in non-wage labour costs. Furthermore, a shift in the economic environment in these countries towards high quality technologies can lead to workers moving to other industries. This can lead to a shortage of skilled workers and thus to a supply bottleneck and/or cost increases. Moreover, there is a risk that labour disputes would arise in the future at foreign production sites that could lead to delivery delays, delivery failures and/or cost increases.

The occurrence of one or more of these risks would have negative effects on the net assets, financial position and results of operations of the Issuer.

#### **Insurance cover**

The Group has insurance coverage, but there is a risk that the scope of the coverage will 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 not able to insure and will, thus, not be covered by the Group's insurances. 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 Issuer's business, earnings or financial position.

#### **Third parties may take action against the use of word marks and/or domains registered for the Group**

The Group is the owner of certain trademarks and domains. There is a risk that a legal dispute may arise with competitors over the legality and use of the trademarks or that other third parties may take action against the Group's use of the trademarks, also as part of the domains, or may attempt to register a corresponding trademark themselves. If such an approach were successful, there is a risk that the Issuer would be prevented from continuing to use such trademark or other important brands for its business activities. Among other things, this could result in high costs for the Issuer in establishing an alternative brand in the market, which would have an adverse effect on the Issuer's net assets, financial position and results of operations.

#### **Legal disputes and litigations**

The Group is involved in various legal disputes, proceedings and arbitration proceedings, in particular with partners, employees and former shareholders of acquired companies, which has arisen in connection with various transactions. Further, there is a risk that the Group will be involved in other disputes or subject to other litigation in the future. If so, there is a risk that eventual negative outcomes of current and future disputes will have a negative effect on the Group's business, earnings or financial position. Even if the Group or its directors, officers, consultants and employees (as the case may be) are not ultimately found to be liable, defending claims or lawsuits will be expensive and time consuming, divert management resources, damage the Group's reputation and attract regulatory inquiries. Any of these developments would have a material adverse effect on the Group's business, results of operations or financial condition.

#### **Tax related risks**

The Group conducts its business in accordance with its own interpretation of applicable tax regulations and applicable requirements and decisions. The Group is currently undergoing an

audit by the tax authorities and 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. There is also the risk of tax increases and the introduction of additional taxes which would affect the Group's results and financial position in the future. In the event of a change in the tax legislations or the interpretation of existing tax laws, both the business activities of the Group and the tax conditions for bondholders in relation to the Bonds may be adversely affected. This can result in considerable additional taxation for both the Group and the bondholders.

## **Risks relating to the Bonds**

### **Credit risks**

Investors in the Bonds carry a credit risk towards the Group. The investors' 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 Group's financial position is affected by several factors of which some have been mentioned above.

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

### **Refinancing risk**

The Issuer may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt depends, among other things, on the conditions of the debt capital markets and the Issuer's financial condition at such time. Even if the debt capital markets improve, the Issuer's access to financing sources may not be available on favourable terms, or at all. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have a material adverse effect on the Group's business, financial condition and results of operations and on the bondholders' recovery under the Bonds.

### **Ability to comply with the Terms and Conditions**

The Group is required to comply with the Terms and Conditions, inter alia, to pay interest under the Bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the Terms and Conditions. A breach of the Terms and Conditions could result in a default under the Terms and Conditions, which could lead to an acceleration of the Bonds, resulting in that the Issuer has to repay the bondholders at the applicable call premium. There is a risk that the Issuer will not have sufficient funds at the time of the repayment to make the required redemption of the Bonds.

### **Interest rate risks**

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. The Bonds will bear a floating rate interest of 3 month EURIBOR plus a margin and the interest rate of the Bonds will be determined two business days prior to the first

day of each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the European and the international financial development and is outside the Group's control. However, so-called benchmarks such as the Euro Interbank Offered Rate (EURIBOR) and other indices which are deemed "benchmarks" (the "**Benchmarks**"), to which the interest of Bonds bearing or paying a floating or other variable rate of interest may be linked to, have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. These reforms may cause the relevant benchmarks to perform differently than in the past, or have other consequences which may have a material adverse effect on the value of and the amount payable under Bonds bearing or paying a floating or other variable rate of interest. In addition, there are numerous other proposals, initiatives and investigations which may impact Benchmarks. Any of the foregoing could have a material adverse effect on the value or liquidity of, and the amounts payable on the Bonds whose rate of interest is linked to a Benchmark.

#### **Liquidity risks and secondary market**

Even if the Bonds are listed on a regulated market, active trading in the Bonds does not always occur and a liquid market for trading in the Bonds might not occur. This may result in that the bondholders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market.

Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

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

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

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

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



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

The Issuer's obligations towards the bondholders are secured by priority ranking pledges over the shares in certain Group companies as well as pledges over specific identified main material trademarks in the Group, and security over certain material intragroup loans, mainly governed by German law, but other jurisdictions may also become relevant.

Not all assets of the Group secure claims of the bondholders under the Bonds and the Issuer is not obliged to provide or procure comprehensive security over assets of the Group. The Bonds do not benefit of any guarantees. It is not certain that the proceeds of any enforcement sale of the security assets will be sufficient to satisfy amounts then owed to the bondholders.

The transaction security may be limited by applicable German law or subject to certain generally available defences that may limit its validity and enforceability. These laws and defences may include those that relate to corporate benefit, fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally – see risk factor "*Risk relating to enforcement of the transaction security and applicable insolvency laws*" for further information.

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

The bondholders are, on the date of this Prospectus, represented by Nordic Trustee & Agency AB as security agent (the "**Agent**") in all matters relating to the transaction security. There is a risk that the 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.

As the bondholders are, on the date of this Prospectus, represented by the Agent they are not a party to any security documents. In order to permit the bondholders to benefit from security in form of pledges (as so called 'accessory' security) governed by German law, the Agent are the holder of a claim equal to each amount payable by the Issuer under, in particular, the Bonds. Only the claims of the Agent will be secured and not the rights and claims of the bondholders. The validity of such claim of the Agent, called a parallel debt provision, has not been tested in court under German law. Therefore, there is no certainty that such claim will eliminate or mitigate the risk of invalidity or unenforceability of German law pledges as security in favor of the bondholders. The bondholders bears the risks associated with the possible insolvency or bankruptcy of the Agent as the beneficiary of the parallel debt. 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 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.

### **Risks relating to enforcement of the transaction security and applicable insolvency laws**

Any security given, on the date of this Prospectus, in relation to the Bonds will only secure claims of the Agent for the benefit of the bondholders under the Bonds, including any subsequent Bonds issued and will not be shared with creditors of other financial indebtedness.

The transaction security may be subject to certain limitations on enforcement and may be limited by applicable law or subject to certain defences that may limit its validity and enforceability, including financial assistance restrictions.

The bondholders may, however, not fully recover the value of the security. If the proceeds received based on enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the Issuer for the amounts which remain outstanding under or in respect of the Bonds.

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

The value of any intra-group loan granted by the Issuer to any subsidiary, which is subject to security in favour of the bondholders, is largely dependent on such subsidiary's ability to repay its loan. Should such subsidiary be unable to repay its debt obligations upon an enforcement of a pledge over the intra-group loan, the bondholders may not recover the full or any value of the security granted over the intra-group loan.

The value of the security interest and the amount to be received upon an enforcement of such security will depend upon many factors, including, among others, the ability to sell the security in an orderly sale, economic conditions where operations are located and the availability of buyers. The book value of the collateral should not be relied on as a measure of realizable value for such assets. It cannot be assured that there will be a market for the sale of the security, or, if such a market exists, that there will not be a substantial delay in its liquidation. In addition, the security may be of no value if that entity is subject to an insolvency or bankruptcy proceeding. As a consequence, it is not certain that the proceeds of any enforcement sale of the secured assets would be sufficient to satisfy all amounts then owed to the bondholders.

The security interests will, at the date of this Prospectus, mainly be governed by German law but it may also be governed by the laws of other jurisdictions. In the event of bankruptcy, insolvency or a similar event, depending on these jurisdictions and on the applicable centre of main interest, proceedings could be initiated in any of these jurisdictions. The rights under the security may thus be subject to the laws of the respective jurisdiction, and it may be difficult to effectively enforce such rights in multiple bankruptcies, insolvency and other similar proceedings.

Under the German Insolvency Code (*De. Insolvenzordnung*), an insolvency administrator may avoid (*De. anfechten*) transactions, performances or other acts that are deemed detrimental to insolvency creditors and which were effected prior to the opening of formal insolvency proceedings during applicable avoidance periods. Generally, if transactions, performances or other acts are successfully avoided by the insolvency administrator, any amounts or other benefits derived from such challenged transaction, performance or act will have to be returned to the insolvent estate (*De. Insolvenzmasse*). The administrator's right to avoid transactions can, depending on the circumstances, extend to transactions having occurred up to ten years prior to the filing for the commencement of insolvency proceedings. In particular, an act

(De. *Rechtshandlung*) or a legal transaction (which term includes the provision of security or the payment of debt) detrimental to the creditors of the debtor may be avoided according to the German Insolvency Code in certain cases. The granting of new security interests in connection with the issuance of the Bonds may create hardening periods for such security interests. Certain subsidiaries of the Issuer are organized under the laws of Germany and have their registered offices in Germany and substantially all their assets are located in Germany. Consequently, any insolvency proceedings with regard to a German subsidiary are likely to be initiated in Germany and would most likely be governed by the insolvency laws of Germany.

#### **Borrowings by the Group**

The Group may, in compliance with the limits set out in the Terms and Conditions, incur additional debt which may result in interest costs which may be higher than the returns gained 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. Interest on the Group's borrowings from time to time may be subject to fluctuations in the applicable interest rates. Higher interest rates would affect Group's operations, earnings and financial position.

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

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. Accordingly, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation of and the ownership in the subsidiaries to enable it to make payments under the Bonds. Consequently, the Issuer is dependent on the subsidiaries' availability of cash, and their legal ability to make dividends which may from time to time be limited by corporate restrictions and law. Should the Issuer not receive sufficient income from its subsidiaries, the investors' ability to receive payment under the Terms and Conditions may be adversely affected.

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

A part of the Group's assets are owned by the subsidiaries of the Issuer, and part of the revenues are generated in, 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.

#### **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 the EUR relative to the currency by reference to which investors measure the

return on their investments. This could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the bonds. As a result, there is a risk that investors will receive less interest or principal than expected, or no interest or principal at all.

#### **Majority owner**

Following any potential change of control in the Issuer, the Issuer may be controlled by a new majority shareholder whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the supervisory board ("Aufsichtsrat"). Furthermore, a 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. If such an event were to arise, it would have a material negative impact on the Group's operations, earnings and financial position. According to the Terms and Conditions, if a change of control event occurs, the bondholders however 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 options" below.

#### **Put options**

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if one or more persons, not being the Majority Shareholder (or an Affiliate thereof) (each term as defined in the Terms and Conditions), acting in concert, acquire control, directly or indirectly, over more than 50% of the voting shares of the Issuer, or 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. 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 would 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 related to early redemption and partial repayment of the Bonds**

Under the Terms and Conditions for the Bonds, the Issuer has reserved the possibility to redeem all outstanding Bonds before the final redemption date. Further, the Issuer may on one occasion per each twelve month period (without carry-back or carry forward) repay up to 10% of the initial nominal amount of the Bonds, in which case all outstanding Bonds shall be partially repaid by way of reducing the outstanding nominal amount of each Bond pro rata. If the Bonds are redeemed or partially repaid before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount on the repaid amount which exceeds the nominal amount in accordance with the Terms and Conditions for the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

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

#### **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 or enforcing any security granted by the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, will 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 negatively affect the legal proceedings. 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 Terms and Conditions for the Bonds in a manner that is undesirable for some of the bondholders.

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

By investing in any Bond, each holder of a Bond accepts the appointment of the Agent (being, on the date of this Prospectus, Nordic Trustee & Agency AB incorporated under Swedish law) to act on its behalf and to perform administrative functions relating to the Bonds. The Agent has, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds are subject to the provisions of the Terms and Conditions for the Bonds, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions for the Bonds are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will adversely affect the enforcement of the rights of the bondholders.

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

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

#### **Bondholders' meetings**

The Terms and Conditions for the Bonds include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests, such as the Issuer's request for amendments to the Terms and Conditions. The Terms

and Conditions for the Bonds allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, there is a risk that the actions of the majority in such matters will impact a bondholder's rights in a manner that is undesirable for some of the bondholders.

**Restrictions on the transferability of the Bonds**

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. It is each potential investor's obligation to ensure that the offers and sales of Bonds comply with all applicable securities laws. Due to these restrictions, there is a risk that a bondholder cannot sell its Bonds as desired. Restrictions relating to the transferability of the Bonds could have a negative effect for some of the bondholders.

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

The Bonds are affiliated to Euroclear Sweden AB's ("Euroclear") account-based system, and no physical notes has been issued. Clearing and settlement relating to the Bonds is carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system and any problems thereof could have an adverse effect on the payment of interest and repayment of principal under the Bonds.

**Amended or new legislation**

This document and the Terms and Conditions are based on Swedish law in force at the date of issuance of the Bonds. There is a risk that amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Terms and Conditions.

**Conflict of interests**

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

## 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.

Interests payable under the Bonds are calculated by reference to EURIBOR, which is provided by the European Money Markets Institute. As of the date of this Prospectus, the European Money Markets Institute does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the BMR apply, such that the European Money Markets Institute is not currently required to obtain authorisation or registration.

|                               |  |
|-------------------------------|--|
| <b>Issuer</b> .....           | gamigo AG.   |
| <b>Bonds Offered</b> .....    | The aggregate amount of the bond loan will be an amount of up to a maximum of EUR 50,000,000. 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 32,000,000 had been issued on the First Issue Date.   |
| <b>Number of Bonds</b> .....  | Maximum 500.   |
| <b>ISIN</b> .....             | SE0011614445.  |
| <b>First Issue Date</b> ..... | 11 October 2018.   |
| <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 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 floating rate of three-month EURIBOR plus 7.75 per cent. <i>per annum</i> . According to the Terms and Conditions the interest rate can be increased upon the occurrence of the Aura Kingdom License Event. However, the Aura Kingdom license agreement was extended in November 2018 with the effect that the Floating Rate Margin will not be increased. |

|                                    |   |
|------------------------------------|---|
| <b>Interest Payment Dates.....</b> | 11 January, 11 April, 11 July and 11 October of each year commencing on 11 January 2019. Interest will accrue from (but excluding) the First Issue Date.  |
| <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.   |
| <b>Status of the Bonds.....</b>    | <p>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.</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, and:</p> <ul style="list-style-type: none"> <li>• will at all times rank <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law;</li> <li>• 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</li> <li>• are structurally subordinated to any existing or future indebtedness of the subsidiaries of the Issuer, including obligations to trade creditors.</li> </ul> |
| <b>Security.....</b>               | The Bonds, are secured by security interests granted on an equal and rateable first-priority basis over the share capital of certain Group Companies and other assets of the Group. See the definition of " <b>Security Documents</b> " 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 (call option)</i> ) of the Terms and Conditions.  |
| <b>Call Option Amount .....</b>    | Call Option Amount means:   |



- (a) any time from and including the First Issue Date to, but excluding, the First Call Date, at an amount per Bond equal to (i) 103.875 per cent. of the Nominal Amount plus (ii) the remaining interest payments up to and including the First Call Date together with accrued but unpaid Interest;
- (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 103.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the date falling 36 months after the First Issue Date at an amount per Bond equal to 102.906 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (d) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the date falling 42 months after the First Issue Date at an amount per Bond equal to 101.938 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (e) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the Final Redemption Date at an amount per Bond equal to 100.969 per cent. of the Nominal Amount, together with accrued but unpaid Interest.

**Partial Redemption.....** The Issuer may redeem the Bonds on one occasion per each twelve month period (without carry-back or carry forward) in a maximum aggregate amount not exceeding 10 per cent. of the Initial Nominal Amount per each Bond. The repayment per Bond shall be equal to the repaid percentage of the Initial Nominal Amount (rounded down to the nearest EUR 1.00) plus (i) a

premium on the repaid amount as specified in Clause 9.3 (*Voluntary total redemption (call option)*) as applicable considering when the redemption occurs.

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

**Final Maturity Date.....** Means 11 October 2022.

**Change of Control.....** Upon the occurrence of a Change of Control 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.

**Change of Control Event** The occurrence of an event or series of events whereby one or more persons, not being the Main Shareholder (or an Affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent of the voting shares of the Issuer, or 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.

**Main Shareholder.....** Means Remco Westermann.

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

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

The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and

the other Group Companies to incur additional debt or pay dividends.

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

|   |  |
|---|--|
| <b>Use of Proceeds</b> .....            | The Issuer shall use the proceeds from the Initial Bond Issue to (i) refinance the Existing Debt together with accrued but unpaid interest, (ii) finance general corporate purposes (including investments and acquisitions), and (iii) finance Transaction Costs.                                   |
|   | The proceeds from any Subsequent Bond Issue shall be used to finance general corporate purposes (including investments, Transaction Costs and acquisitions) of the Group.  |
| <b>Transfer Restrictions</b> .....      | 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. |
| <b>Listing</b> .....                    | Application has been made to list the Bonds on Nasdaq Stockholm.   |
| <b>Agent</b> .....                      | Nordic Trustee & Agency AB (publ), or another party replacing it, as Agent, in accordance with the Terms and Conditions.   |
| <b>Security Agent</b> .....             | Nordic Trustee & Agency AB (publ), or another party replacing it, as Security Agent, in accordance with the Terms and Conditions.  |
| <b>Issuing Agent</b> .....              | Pareto Securities AB or another party replacing it, as Issuing Agent, in accordance with the Terms and Conditions.   |
| <b>Governing Law of the Bonds</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 supervisory board (as referred to as “board of directors” in the Terms and Conditions) (“Aufsichtsrat”) of the Issuer on 28 August 2018 and by the executive board of the Issuer on 30 August 2018, and was subsequently issued by the Issuer on 11 October 2018. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as amended by the Directive 2010/73/EC of the European Parliament and of the Council and Chapter 2 of the Trading Act.

The Issuer is responsible for the information given in this Prospectus. The Issuer is the source of all company specific data contained in this Prospectus and the Sole Bookrunner has conducted no efforts to confirm or verify the information supplied by the Issuer. The Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the Issuer's knowledge, in accordance with the facts and contains no omissions likely to affect its import. Any information in this Prospectus and in the documents incorporated by reference which derive from third parties has, as far as the Issuer is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect. The executive board (“Vorstand”) confirms that, having taken all reasonable care to ensure that such is the case, the information in this Prospectus is, to the best of the executive board's knowledge, in accordance with the facts and contains no omission likely to affect its import.

6 December 2018

gamigo AG

*Executive Board (“Vorstand”)*

## DESCRIPTION OF MATERIAL AGREEMENTS

The following is a summary of the material terms of material agreements that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders. The following summary do not purport to describe all of the applicable terms and conditions of such arrangements.

### Subordination Agreement

The Issuer and Samarion S.E. (the "**Original Subordinated Lender**") have entered into a subordination agreement with the Security Agent dated 11 October 2018 (the "**Subordination Agreement**"). The Original Subordinated Lender has, as per the date of this Prospectus, granted shareholder loans to the Issuer in an amount of EUR 833,178 (including incurred and unpaid interest). In addition, the Original Subordinated Lender may grant further shareholder loans to the Issuer in the future.

In accordance with the Subordination Agreement, the Agent (as defined in the Terms and Conditions), the Original Subordinated Lender and any other subordinated lender acceding to the Subordination Agreement agrees that their respective claims against the Issuer shall rank in the following order of priority:

- i. firstly, the bond loan; and
- ii. secondly, the subordinated debt.

### Asset Purchase Agreement

The Group has acquired essential assets of Trion Worlds Inc. ("**Trion**") by an asset purchase agreement, with TRION WORLDS (ABC), LLC, a California limited liability company dated October 22, 2018. Trion Worlds Inc. was a leading US gaming company who offered renowned online and console games for simultaneous playing by multiple players (so called Massively Multiplayer Online Games, MMO). The Group continues to employ certain key employees and receives full publishing rights for the games from Padmapani GmbH, a related sister company to Samarion S.E. The acquisition was made public according to Art. 17 of Regulation (EU) 596/2014 on 22 October 2018.

### Share Purchase Agreements

In July 2016 the Issuer acquired 100 per cent of the shares in ElbSpree media Holding GmbH (formerly ProSiebenSat.1 Games GmbH) and its 100% subsidiaries Aeria Games GmbH and adSpree media GmbH (formerly Seven Games Network GmbH) from ProSiebenSat.1 Digital GmbH with effect as of 30 June 2016. The purchase price was paid in the form of shares in the Issuer by way of capital increase (capital in kind), as well as cash financed via a loan of the seller and conditioned earn out payments. The conditions for earn out payments have not been fulfilled and no earn out payments have become due or will be due. The seller loan has been repaid.

The share purchase agreement includes guarantees by the management of the seller and the Issuer with a limitation period of 36 months.

In June 2017 the Issuer acquired 100 per cent of the shares in Mediakraft Networks GmbH (“Mediakraft”) and its German, Polish and Turkish subsidiaries (“Mediakraft subsidiaries”) for a symbolic price. The Issuer committed to and executed an investment in Mediakraft. The share purchase agreement includes provisions regarding an additional purchase price for each seller in case shares of Mediakraft or Mediakraft subsidiaries are sold to a purchaser outside of the Group before 30 June 2019 and the amounts realized up to that date minus the sales costs exceed EUR 1,5 Million. In this case, the sellers receive 33,33% of the exceeding amount.

## DESCRIPTION OF THE GROUP

### History and development

gamigo AG was incorporated on 8 April 2000 and is a German public limited liability company operating under the laws of Germany with reg. no. HRB 105628.

The registered office of the Company is Behringstraße 16b, 22765 Hamburg and the Company's headquarters is located at Behringstraße 16b, 22765 Hamburg, with telephone number +49 40 411885 0.

In accordance with the articles of association of the Company, adopted on 28 May 2016, the objects of the Company are: (i) the operation of gaming portals via the internet, as well as the associated marketing of advertising space and trade in computer games, console games and associated accessories, as well as the development, operation and marketing of online games over the internet and of games for mobile devices (including smartphones/tablets) and all other related business; (ii) the acquisition, holding, management and use of own assets and those of others, in particular the acquisition, holding and management and use of shares in domestic and foreign subsidiaries and companies; and (iii) the administration, financing, business management, assumption of company management and representation of such subsidiaries and companies and the provision of management, advisory and other services for those subsidiaries and companies. The Company can limit itself to one or more of the purposes set out in the first sentence, it can also be limited to the activities of a managing holding company and/or the management of its own assets.

### Business and operations

#### Overview

gamigo AG, with its headquarters in Hamburg, Germany, is the ultimate parent company of the Group. In this role, in addition to its own operational business, it also takes over central management and control functions for the group companies. Through centralisation, the Group is able to exploit synergies in the investments and structure all business processes efficiently. The Group has over 250 employees in Hamburg (HQ), Berlin, Cologne, Münster, Darmstadt (Germany), Warsaw (Poland), Istanbul (Turkey), Chicago (USA), Austin (USA), Redwood City (USA) and Seoul (South Korea), that are engaged in implementing the gamigo platform strategy in the fields of game publishing and platform services.

#### Company milestones

| Year(s)   | gamigo AG  |
|-----------|--|
| 2000-2007 | <ul style="list-style-type: none"> <li>• Foundation of gamigo AG as an online magazine for pc and online gaming.</li> <li>• Development towards online role-playing games - various games launched.</li> </ul>   |
| 2008-2009 | <ul style="list-style-type: none"> <li>• Expansion in Europe with games developed at gamigo's own risk.</li> <li>• Axel Springer AG buys BMP AG's entire stake in gamigo.</li> <li>• gamigo becomes a wholly-owned subsidiary of Axel Springer in 2009.</li> </ul> |

|                  |  |
|------------------|--|
| <b>2010-2012</b> | <ul style="list-style-type: none"> <li>• Acquisition of a stake in the German developer Reaktor Media.</li> <li>• Axel Springer AG sells its entire stake in gamigo AG to the strategic investor Samarion S.E; Remco Westermann announced as CEO of gamigo AG.</li> </ul>                          |
| <b>2013-2014</b> | <ul style="list-style-type: none"> <li>• Restructuring of gamigo AG; reductions in costs, discontinuation of risky development.</li> <li>• The Group reaches 30 million registered users.</li> </ul>   |
| <b>2015</b>      | <ul style="list-style-type: none"> <li>• Acquisition of mobile payment specialists Mobile Business Engine GmbH and Looki Publishing GmbH, an independent publisher.</li> <li>• Launch of B2B Gaming as a service (GaaS, Software as a Service (SaaS)).</li> </ul>                                  |
| <b>2016</b>      | <ul style="list-style-type: none"> <li>• Acquisition of aeria games and seven games media from ProSiebenSat.1.</li> <li>• ProSiebenSat.1 becomes a shareholder.</li> <li>• Integration of all B2B media activities under adspree.</li> </ul>   |
| <b>2017</b>      | <ul style="list-style-type: none"> <li>• gamigo AG repays its 2013/2018 bonds issued in 2013, which demonstrates its strong operating performance in recent years.</li> <li>• Acquisition of the video and social media specialist Mediakraft to strengthen the Group's B2B activities.</li> </ul> |

### **Business segments**

The range of services provided by the Group is divided up into the business segments “Game Publishing” (B2C) and “Platform Services” (B2B).

#### *Game Publishing*

In the game publishing business division, the Group provides, supports, operates and develops online and mobile games for end customers. The Group has a broad portfolio of online games, including casual games, roleplay games and strategy games. It markets its products and services worldwide, although the focus is on Europe and North America. In most cases, the games are licensed exclusively for certain regional territories.

The Group has greatly driven its growth in the business division Game Publishing by means of market consolidation. Since 2014, the Group has acquired more than 20 businesses and companies, the majority of which are in the publishing sector.

#### *Platform Services*

Apart from game publishing, the Group has been developing its platform services (B2B) since 2014, which is aimed at corporate customers. Within platform services, the Group offers game developers and game publishers a range of services that extends from payment processing, via lead generation and marketing, to customer relationship management. In 2017, the Group earned about one-third of its revenue from this business segment. For platform services, the Group uses almost the same systems and infrastructure (mainly in the background) as are used



in the context of game publishing. The Group especially offers marketing and sales opportunities within the field of platform services.

### **Organisational - overview**

The business activities of the Group are distributed among the main subsidiaries as follows. The parent company gamigo AG is the controlling company of the Group and, in this role, assumes the central management and leadership functions and provides services for the gamigo subsidiaries in addition to conducting its own operating business. Furthermore, the Group manages European activities for Massively Multiplayer Online Games ("MMOGs") in the field of game publishing. The subsidiary gamigo Inc., with its headquarters in Wilmington and an office in Chicago, is responsible for marketing online and mobile games in North America. Gamigo Publishing GmbH combines the majority of its own game licences in game publishing and manages the further development of its own intellectual property. The subsidiary Aeria Games GmbH (acquired in 2016) publishes MMOGs in Europe and North America. The subsidiary gamigo Advertising GmbH is focused on affiliate marketing. Gamigo Portals GmbH focuses on portals and offers downloadable games on its own platforms. The newly founded Golden Gate Games Inc. manages the games that have recently been acquired from the Trion Worlds (ABC), LLC.

In the field of marketing and sales, part of platform services, the services are now concentrated at adspree media GmbH and at Mediakraft Networks GmbH. The company adspree media GmbH is an international 360 degree marketing agency for game companies. adspree media GmbH manages the acquisition of new users or players in a performance-oriented and efficient manner using the most important channels, including: search engine optimisation, own game portals, search engine advertising (e.g. Google, Bing), Facebook marketing, programmatic/real time media buying, real time advertising, influencer marketing, affiliate marketing and TV-advertising.

### **Business model - overview**

Owned games, licensed games and third-party games amount to: over 30 MMOs (free to play) and over 500 casual games (subscription/advertising). Online and mobile games are at the date of this Prospectus available in up to 18 major European languages. The Group is growing as a market consolidator – over 20 acquisitions of smaller as well as larger gaming companies and related businesses have been carried out in the last five years.

The Group has a strong pipeline of new games. The reason the Group has such a strong line-up of games in the pipeline is due to its market position and porting skills. Further, the Group adds value by investing in the further development of games for which it owns the intellectual property in order to improve customer experience, efficiency and scalability. In addition, the growing user base and volume enable the Group to utilise synergy effects.

### **Revenue generation**

The Group generates revenue mostly by selling virtual goods for unique personalisation or to increase speed of play via virtual in-game currency in in-game e-commerce stores. The in-game currency is being acquired via payment stores.

Also subscription models are offered, allowing customers to subscribe on a monthly basis to access games, and receive rewards and discounts.

Advertising is also a revenue generator, particularly in the case of casual games that have a lower percentage of paying customers.

A key to maximising revenues is to offer a large number of payment methods. Currently the Group offers over 30 payment methods from over 30 payment providers.

In the B2B sector revenues are mostly generated via advertising income, commissions and fees.

### **Brands and concepts**

The so-called free-to-play MMOGs account for the highest share of turnover in the portfolio of the Group. "Free-to-play" means that consumers essentially play free of charge but can buy products (so-called "items") for a fee that increase the enjoyment of the game and/or facilitate faster success, in particular through new equipment or new functions for the game's characters. With the aid of this business model, the turnover has the potential for improved scaling as the customers usually do not just pay once but, as the result of various incentives in the games, are motivated to invest money in the games on a continuous basis and over a longer period of time. MMOG means that frequently several thousand players meet and interact with one another in an arena or server environment. Due to the large number of players who play the game at diverse times and are frequently linked to one another through fixed gaming communities (so-called "guilds" or "clans"), in combination with regular content updates, users often play a game over a period of several months or even years. Within the MMOGs, there is a technical difference between browser games (games are played in the browser online) and client games (games are first downloaded and the client is saved on the PC; during the game, players must be online in order to be able to communicate with the server). In addition, the portfolio includes games that can be played on Facebook and/or on mobile end devices (iOS and Android). In these types of games, apart from the items that can be bought at a cost, advertisements and advertising videos are also shown.

The Group has various games in MMOG, especially anime and fantasy roleplays, strategy and shooter games. The "casual games" which are also marketed by the Group typically involve simpler games which are not that intensive and are mostly played only for a short period of time (these include in particular puzzles, quizzes and skill games). Also here, the Group has a wide portfolio.

Currently, the Group offers over 30 MMOGs and over 500 casual games. These include various MMOGs (e.g. Fiesta Online and Shaiya) that have been on the market for many years now.



## Share capital and ownership structure

The shares of the Company are denominated in EUR. Each share carries one vote and has equal rights on distribution of income and capital. The ordinary shares of series A carry 1 vote each and preferential shares of series B carry 1 vote each. As of the date of this Prospectus, the Company had an issued share capital of EUR 2.310.716 divided into 1.548.180 of shares of series A, and 762.536 of shares of series B. The Company has issued a total of 2.310.716 shares.

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

| <i>Shareholder</i>                  | <i>Share capital</i> | <i>Voting Rights</i> |
|-------------------------------------|----------------------|----------------------|
| Samarion S.E.                       | 36.28 %              | 53.00 %              |
| ProSiebenSat.1 Digital GmbH         | 33.00 %              | 33.00 %              |
| Axel Springer Digital Ventures GmbH | 13.80 %              | 13.80 %              |
| Other shareholders                  | 16.92 %              | >1.00 %              |
| <b>Total</b>                        | <b>100.00 %</b>      | <b>100.00 %</b>      |

### Samarion S.E. – 36,28 per cent.

Samarion S.E. is a wholly-owned subsidiary of blockescence plc. Samarion is a holding and investment company, having its place of business in Dusseldorf, Germany.

### ProSiebenSat.1 Digital GmbH 33,00 per cent.

ProSiebenSat.1. Digital GmbH is a subsidiary of ProSiebenSat.1 Media SE and is responsible for the interactive products around the channel brands - from online to teletext, value-added services and Hbb-TV to mobile applications. The company also owns the online portal fem.com and MyVideo

### Axel Springer Digital Ventures GmbH 13,80 per cent.

Axel Springer Digital Ventures GmbH, a wholly-owned subsidiary of Axel Springer SE, is the central holding for venture capital investments. The company is active in Europe and USA and holds a broad portfolio in media and adjacent businesses.

### Other shareholders – 16,92 per cent (the "Other Shareholders").

Other shareholders include the following members of the Company's supervisory board ("Aufsichtsrat"):

- Florian Hörtlehner, 17.276 shares (0,75%)
- Dr. Anton Steyrer, 5.000 shares (0,22%)

## Shareholders' agreements

The Issuer is aware of the existence of a notarial shareholder agreement between Samarion S.E., ProSiebenSat.1 Digital GmbH, and the Other Shareholders, which requires the consent of the

supervisory board (“Aufsichtsrat”) to a transfer of shares. The notarial shareholder agreement also contains certain tag and drag rights as well as special rights regarding ProSiebenSat.1 B Shares valuation as well as special rights for Samarion S.E. and the majority shareholders (as defined in the agreement, including Samarion S.E. and ProSiebenSat.1) as well as tag and drag rights and preferred purchase agreements in case of share sales in order to protect certain shareholders.

There are voting agreements between Samarion S.E. and the Other Shareholders (except certain shareholders controlling less than one (1) per cent. of the shares) stipulating that any voting rights have been given to Samarion S.E. for as long as any of such Other Shareholders holds shares of the Issuer. The voting agreements run at least until 31 December 2023 with the possibility of an extension.

### Overview of Group structure

Currently, the Issuer has directly and indirectly 14 consolidated subsidiaries as set out below.

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

The Issuer's ownership of its consolidated subsidiaries, is set out below.

| <i>Company</i>                | <i>Country of incorporation</i> | <i>Ownership</i> |
|-------------------------------|---------------------------------|------------------|
| adspreemedia GmbH             | Germany                         | 100.00 %         |
| Aeria Games GmbH              | Germany                         | 100.00 %         |
| Aeria Games Inc.              | United States                   | 100.00 %         |
| gamigo publishing GmbH.       | Germany                         | 100.00 %         |
| gamigo Advertising GmbH       | Germany                         | 100.00 %         |
| gamigo Inc.                   | United States                   | 100.00 %         |
| Golden Gate Games Inc.        | United States                   | 100.00 %         |
| gamigo portals GmbH           | Germany                         | 100.00 %         |
| Mediakraft Networks GmbH      | Germany                         | 100.00 %         |
| Produktkraft Vermarktung GmbH | Germany                         | 100.00 %         |
| MK Productions GmbH           | Germany                         | 100.00 %         |
| Mediakraft GmbH               | Germany                         | 100.00 %         |
| Mediakraft Turkey Y.H.A.S.    | Turkey                          | 80.00 %          |
| Mediakraft PL Sp.z.o.o.       | Poland                          | 95.00 %          |

### Recent events

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's solvency, with exception of the following:

The Group has acquired major assets from Trion Worlds (ABC), LLC. Trion Worlds Inc. was a leading US gaming company with offices in Redwood City (California) and Austin (Texas) and had as publisher and developer of online and console MMO-games, well-known games such as Rift, Defiance, Trove and ArcheAge in its portfolio. The assets of the company have been acquired by gamigo's subsidiary Golden Gate Games Inc., via an “assignment for the benefit of the creditors”

process, in which the buyer only buys those assets, with which he wishes to continue the business.

The Group has acquired the majority of the assets, including the platform, takes over employees to operate the business and gets the full publishing rights of the games. The intellectual properties of the Trion Worlds games have been acquired by gamigo's sister company Padmapani GmbH and are made available for the Group, worldwide and exclusive.

It is expected that the Trion Worlds acquisition will add on the Group level revenues of low double digit millions in 2019. Depending on the speed and success of restructuring and integration, management expects an additional EBITDA in low single digit million, based on unlocking substantial synergies and economies of scale as proven in numerous acquisitions before.

The full purchase price amounts to a low USD two-digit million amount (including possible earn-outs).

### **Significant change and trend information**

There has been no material adverse change in the prospects of the Group since the date of publication of its last audited annual accounts and no significant adverse change in the financial or trading position of the Group since the end of the last financial period for which audited financial information has been published.

### **Legal and arbitration proceedings**

The Group is occasionally involved in disputes as part of its normal business operations. Furthermore, there is a risk that the Group members may become target of claims in respect to, *inter alia*, contract matters, customer-related issues, intellectual property rights, tax matters or regulatory compliance matters. Following several M&A transactions, the Issuer is party to legal disputes involving some contractual partners regarding the interpretation of the contractual provisions and the underlying assets of such M&A transactions which could have significant effects on the Issuer and/or the Group's financial position or profitability.

The Issuer has not, during the previous twelve months, been aware and is not aware of any other governmental, legal or arbitration proceedings that may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

### **Credit rating**

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

## MANAGEMENT

The supervisory board (as referred to as “board of directors” in the Terms and Conditions) (“Aufsichtsrat”) of the Issuer currently consists of 6 (six) members which have been elected by the general meeting. The executive board (“Vorstand”) consists of one member that has been put in charge by the supervisory board (“Aufsichtsrat”). The executive board (“Vorstand”) and the senior management can be contacted through the Issuer at its headquarters at Behringstraße 16b, 22765 Hamburg. Further information on the members of the supervisory board (“Aufsichtsrat”), the executive board (“Vorstand”) and the senior management is set forth below.

### **Supervisory Board (“Aufsichtsrat”)**

***Axel Sartingen, chairman of the board since 2012.***

**Education:** graduated with diploma in Economics from University a.o. Bochum

**Current commitments:** Managing Partner of Milaco GmbH

**Shares in the Issuer:** None

***Florian Hörtlehner member of the board since 2012.***

**Education:** Graduated from Vienna University of Economics, Austria with a Masters’s degree in Business Administration

**Current commitments:** Active Investor

**Shares in the Issuer:** 17.276

***Dr. Anton Steyrer, member of the board since 2016.***

**Education** Doctor/PhD at University of Sofia, Bulgaria, CEFA (Certified European Financial Analyst)

**Current commitments:** Active Portfolio Manager

**Shares in the Issuer:** 5.000

***Alexander von Voß, member of the board since 2016.***

**Education:** Graduated from the Westphalian Wilhelms University in law

**Current commitments:** Chief Legal Officer of ProSieben Sat. 1 Media SE

**Shares in the Issuer:** None

***Oliver Strutynski, member of the board since 2016.***

**Education:** Graduated in Computer Science from the Technical University of Munich and received his MBA from the Haas School of Business

**Current commitments:** Since 07/2016 he is CFO of Studio 71 GmbH (ProSiebenSat.1 Media SE)

**Shares in the Issuer:** None

***Martin Otten, member of the board since 2018.***

**Education:** Graduated with degree in business administration from University of Cologne

**Current commitments:** Managing Partner at Auditing Firm WPNO Wirtschaftsprüfer Steuerberater

**Shares in the Issuer:** None

**Executive Board*****Remco Westermann - CEO***

- Over 25 years of experience as founder and top manager, specialized in New Media with a focus on Mobile and Online Entertainment
- MSc in Business Economics at Erasmus University Rotterdam
- Responsible for Strategy, M&A & Investor relations

**Senior Management*****Jens Knauber - COO***

- Experienced manager in the entertainment industry for over 10 years
- Game publishing expert – over 300 internationally-published games
- Occupying a series of leadership positions at the Hamburg-based publisher dtp
- Responsible for B2C Gaming Business

***Paul Echt - CFO***

- Over 7 years of experience in Tech & Finance industry
- Occupying positions at UniCredit Bank and Shopgate Inc.
- Master of Business Management (M.A.) and Bachelor of Laws (LL.B) at University of Applied Sciences Wildau
- Responsible for Finance & Controlling

***Gary Coffey - CTO***

- Over 12 years of experience in technology across Fintech & Engineering
- Previously occupying leadership positions at Bombardier Transportation & BAE Applied Intelligence
- Diploma in computer applications at Dublin City University
- Responsible for IT operations, IT strategy, IT Development, Business Intelligence

***Stefan Rascher - CSO***

- Over 20 years of experience in Sales, Ecommerce and Telecoms
- Occupying various positions in E-Plus, Quam, own consultancy company
- Responsible for sales and Group B2B companies Adspree and Mediakraft

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

Remco Westermann being the CEO and an executive board (“Vorstand”) member of the Issuer, is also a board member and majority shareholder of Bodhivas GmbH which is the majority shareholder of blockscience plc which is the majority shareholder of the Issuer's direct parent company Samarion S.E.

While the Issuer recognizes the potential conflict described above, the Issuer does not believe that such potential conflict constitutes an actual conflict of interest between Remco Westermann's duties to the Issuer and its private interests or other commitments.

To the extent that can be reasonably verified by the Company, no conflict of interest, other than as set out above, 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 interests or prevent the aforementioned to faithfully execute their duties to the Company.

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



## HISTORICAL FINANCIAL INFORMATION

### Historical financial information

The Group's consolidated financial statements for the financial year ended 31 December 2017 and the figures for the financial year ended 31 December 2016 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.

The Group's consolidated financial statements for the financial year ended 31 December 2017 and 31 December 2016 have been prepared in accordance with International Financial Reporting Standards ("*IFRS*") as adopted by the EU.

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2017 and for the financial year ended 31 December 2016, the Group's auditor has not audited or reviewed any part of this Prospectus.

The pages set out below in the Group's consolidated financial statements for the financial year ended 31 December 2017 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at <https://corporate.gamigo.com/en/investors/>. Other pages (not incorporated into this Prospectus by reference) have been omitted since they are deemed not relevant for investors.

- consolidated income statement, page 45;
- consolidated balance sheet, pages 43-44;
- consolidated cash flow statement, page 47;
- consolidated statement of changes in equity, page 46;
- the audit report, pages 89-90; and
- notes, pages 48-88

The pages set out below in the Group's consolidated financial statements for the financial year ended 31 December 2016 are incorporated into this Prospectus by reference and available in electronic format on the Issuer's website at <https://corporate.gamigo.com/en/investors/>. Other pages (not incorporated into this Prospectus by reference) have been omitted since they are deemed not relevant for investors.

- consolidated income statement, page 45;
- consolidated balance sheet, pages 43-44;
- consolidated cash flow statement, page 47;
- consolidated statement of changes in equity, page 46;
- the audit report, pages 89-90; and
- notes, pages 48-88.

### Auditing of the annual historical financial information

The Company's consolidated financial statements as at present and for the years 2016 to 2017 have been audited, as applicable, by Rödl & Partner GmbH, Wirtschaftsprüfungsgesellschaft, Kranhaus 1, Im Zollhafen 18, 50678 Köln. Rödl & Partner GmbH has been the Company's auditor since 2013. Maurus Groll and Peter Stramitzer are the auditors who are responsible for the

Group. Maurus Groll and Peter Stramitzer are authorised auditors and are members of the tax auditor chamber, the professional institute for the accountancy sector in Germany.

The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the auditors' opinion has not led to any reservations.

**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 2017, which was published on 12 October 2018 on the Issuer's website gamigo.com. <https://corporate.gamigo.com/en/investors>.

## OTHER INFORMATION

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of EUR 32,000,000 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 50,000,000. Each Bond has a nominal amount of EUR 100,000. The ISIN for the Bonds is SE0011614445.

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

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's and the Security Agent's representation of the Bondholders.

### 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 being in the ordinary course of its business which may affect the Group's ability to fulfil its obligations under the Bonds.

### Documents available for inspection

The following documents are available at the Company's headquarters at Behringstraße 16b, 22765 Hamburg, 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 Group's consolidated financial statements and audit report for the financial year ended 31 December 2017 and for the financial year ended 31 December 2016;
- the financial statements and audit reports for the financial year ended 31 December 2017 and for the financial year ended 31 December 2016 for each company within the Group (to the extent such Group companies were incorporated during 2016 or 2017 and have issued financial statements and audit reports for such financial years); and
- this Prospectus.

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

- the Group's consolidated financial statements and audit report for the financial year ended 31 December 2017 and for the financial year ended 31 December 2016; and

- this Prospectus.

**Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 290,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

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

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

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

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

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

"**Aura Kingdom License Event**" means that the Issuer does not extend or renew the license for the game Aura Kingdom before 31 December 2018.

"**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 is governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

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

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

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

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

**"Change of Control Event"** means the occurrence of an event or series of events whereby one or more persons, not being the Main Shareholder (or an Affiliate thereof), acting in concert, acquire control, directly or indirectly, over more than 50 per cent of the voting shares of the Issuer, or 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.

**"Completion Date"** means the date when the disbursements of the proceeds from the Initial Bond Issue is made from the Proceeds Account.

**"Compliance Certificate"** means a certificate, in the agreed form between the Trustee and the Issuer, signed by the Issuer certifying (as applicable):

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, the certificate shall include calculations and figures in respect of the Incurrence Test;
- (c) clean down of the Unsecured Working Capital Facility; and
- (d) if the Compliance Certificate is provided in connection with the audited annual financial statements are made available, a list of all Material Group Companies, and a confirmation that Group Companies representing at least 80.00 per cent. of EBITDA of the Group (on a consolidated basis) has been pledged to the Secured Parties.

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

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

- (a) before deducting any amount of tax on profits, gains or income paid or payable by any member of the Group;
- (b) before deducting any Net Finance Charges;
- (c) before taking into account any Transaction Costs;
- (d) not including any accrued interest owing to any member of the Group;

- (e) before taking into account any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (f) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) after deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (h) plus or minus the Group's share of the profits or losses of entities which are not part of the Group; and
- (i) after adding back any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

**"Elbspree Merger"** means the upstream merger between Aeria Games GmbH and Elbspree media Holding GmbH with Elbspree media Holding GmbH as the surviving entity.

**"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.

**"EURIBOR"** means:

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

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

**"Event of Default"** means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.8 (*Continuation of the Business*).

**"Existing Debt"** means a financing arrangement between the Issuer and the Pro7Sat1 group in the amount of approximately EUR 1,070,200, a financing arrangement between the Issuer and Axel Springer SE in the amount of approximately EUR 3,630,900 and loan

agreements entered into between the Issuer and UniCredit Bank AG in the aggregate amount of approximately EUR 15,000,000.

**"Final Redemption Date"** means 11 October 2022.

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

**"Finance Documents"** means:

- (a) these Terms and Conditions;
- (b) the Subordination Agreement (if any);
- (c) the Agency Agreement;
- (d) the Security Documents;
- (e) the Parallel Debt Agreement; and
- (f) any other document designated to be a Finance Document by the Issuer and the Trustee or the Security Agent.

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

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than receivables sold on a non-recourse basis);
- (d) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or to raise finance;



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

**"Financial Instruments Accounts Act"** means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om 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 11 October 2018.

**"Floating Rate Margin"** means, subject to Clause 8(b), 7.75 per cent. *per annum*.

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

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

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

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

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

**"Interest Payment Date"** means 11 January, 11 April, 11 July and 11 October each year. The first Interest Payment Date shall be 11 January 2019. The last Interest Payment Date shall be the Final Redemption Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the first following day that is a Business Day, unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

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

**"Interest Rate"** means 3 months EURIBOR plus the Floating Rate Margin *per annum*.

**"Issuer"** means gamigo AG, with German stock corporation registered with the local court (*De. Amtsgericht*) of Hamburg, with the registration number HRB 105628.

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

**"Main Shareholder"** means Remco Westermann.

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

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

- (a) the business, financial condition or operations of the Group taken as a whole;
- (b) the Group's ability to perform and comply with the Finance Documents; or
- (a) the validity or enforceability of the Finance Documents.

**"Material Group Company"** means the Issuer and any other Group Company representing in aggregate at least 80 per cent. of the earnings before interest, tax, depreciation and amortisation calculated on the same basis as EBITDA of the Group, calculated on a consolidated basis according to the latest Financial Report.

**"Material Intercompany Loan"** means any intercompany loans in an amount exceeding EUR 2,000,000.

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

**"Net Interest Bearing Debt"** means the aggregate interest bearing debt (including Finance Leases, but no other leases) less cash and cash equivalents of the Group in accordance with the applicable Accounting Principles of the Group from time to time (for the avoidance of doubt, excluding guarantees, counter indemnities in respect of bank guarantees, Subordinated Loans and interest bearing debt borrowed from any Group Company).

**"Net Proceeds"** means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer to the Sole Bookrunner and its legal advisors and the Issuing Agent for the services provided in relation to the placement and issuance of the Bonds.

**"Nominal Amount"** means in respect of each Bond the Initial Nominal Amount, less the aggregate amount by which that Bond has been redeemed in part pursuant to Clause 9.4 (*Voluntary partial redemption*).

**"Parallel Debt Agreement"** means the agreement pursuant to which claims of the Security Agent are created for the benefit of certain German law governed Security Documents.

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

- (a) incurred under the Bonds (except for any Subsequent Bonds);
- (b) arising under a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where the exposure arises in the ordinary course of business or in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (c) arising under any interest rate hedging transactions in respect of payments to be made under these Terms and Conditions, but not any transaction for investment or speculative purposes;
- (d) incurred under Advance Purchase Agreements;
- (e) incurred under the Existing Debt, until their repayment on the Completion Date;
- (f) arising under any contractual non-interest bearing earn-out payments relating to acquisitions made by the Group;
- (g) arising under any vendor financing in relation to acquisitions made by the Group up to an amount of 30 per cent. of the purchase price for each acquisition, provided that such vendor financing is committed to be and is repaid no later than 18 months after the relevant acquisition;
- (h) 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 (b) and (c) which occur after the Final Redemption Date;

- (i) incurred under any Subordinated Loan;
- (j) taken up from a Group Company;
- (k) incurred as a result of any Group Company acquiring another entity after the First Issue Date which entity already had incurred Financial Indebtedness but not incurred or increased or having its maturity date extended in contemplation of, or since that acquisition, provided that (i) the Incurrence Test is met on a *pro forma* basis if tested immediately after the making of that acquisition, and (ii) such Financial Indebtedness is: (a) repaid in full within three (3) months of completion of such acquisition, or (b) refinanced in full within three (3) months of completion of such acquisition with the Issuer as the new borrower;
- (l) 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;
- (m) of the Group under any pension or tax liabilities of the Group incurred in the ordinary course of business;
- (n) up to EUR 3,000,000 incurred under an Unsecured Working Capital Facility; and
- (o) any other Financial Indebtedness incurred by Group Companies not in aggregate exceeding EUR 1,700,000.

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

- (a) provided under the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including terms and conditions of account banks, collateral or retention of title arrangements, in particular in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or security in respect of any monies borrowed or raised);
- (c) provided in connection with factoring of receivables on a non-recourse basis;
- (d) provided in relation to any lease agreement entered into by a Group Company;
- (e) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including group cash pool arrangements;

- (f) arising under any escrow agreement or in connection with acquisitions and disposals; and
- (g) provided pursuant to items (b), (c), (e), (k) and (l) 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 Trustee and the Bondholders (represented by the Trustee) under the Proceeds Account Pledge Agreement.

"**Proceeds Account Pledge Agreement**" means the Swedish law governed pledge agreement entered into between the Issuer and the Trustee on or about 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 Trustee and the Bondholders (represented by the Trustee).

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

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

"**Redemption 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 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).

"**Secured Obligations**" means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by the Issuer towards the Secured Parties outstanding from time to time under the Finance Documents.

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

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

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

**"Security Agent"** means the security agent holding the Transaction Security on behalf of the Secured Parties, being Nordic Trustee & Agency AB (publ) on the First Issue Date.

**"Security Documents"** means:

- (a) the German law governed pledge agreement in respect of all the shares in the Material Group Companies (other than the Issuer) (being gamigo Publishing GmbH on the First Issue Date and Aeria Games GmbH (unless the Elbspree Merger has been completed prior to the disbursement of the Net Proceeds from the Initial Bond Issue in which case the shares in Elbspree media Holding GmbH shall pledged instead);
- (b) the German law governed assignment agreement in respect of current and future Material Intercompany Loans;
- (c) the German law governed pledge agreement in respect of the following trademarks owned by the Group: Fiesta, Last Chaos, Deutschland Spielt and Desert Operations;
- (d) the Swedish law governed Proceeds Account Pledge Agreement; and
- (e) any other documents designated as a Security Document by the Issuer and the Trustee.

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

**"Subordinated Loans"** means any loan made to the Issuer, if such loan

- (a) is subordinated to the obligations of the Issuer under these Terms and Conditions pursuant to the Subordination Agreement;
- (b) according to its terms have a final redemption date or, when applicable, early redemption dated or instalment dates which occur after the Final Redemption Date; and
- (c) according to its terms yield only payment in kind interest (other than any cash interest permitted to be paid pursuant to Clause 13.2 (Distributions)).

**"Subordination Agreement"** means the subordination agreement entered into between, among others, the Trustee, the Issuer and any creditor with respect to Subordinated Loans.

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

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

**"Subsidiary"** means, in respect of which such person, directly or indirectly:

- (a) owns shares or ownership rights representing more than fifty (50) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (50) per cent. of the total number of votes held by the owners; or
- (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body.

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

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

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

**"Trustee"** 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 trustee in accordance with these Terms and Conditions.

**"Unsecured Working Capital Facility"** means an unsecured working capital facility provided for the general corporate purposes of the Group.

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

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency,

department or regulatory, self-regulatory or other authority or organisation;

- (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Euro 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 Euro for the previous 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 the European Economic Area promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Trustee, 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.

## 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 initial nominal amount of each Initial Bond is EUR 100,000 (the "**Initial Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is EUR 32,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- (d) The minimum permissible investment in a 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 Redemption 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 50,000,000 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, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
- (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) refinance the Existing Debt together with accrued but unpaid interest, (ii) finance general corporate purposes (including investments and acquisitions), and (iii) finance Transaction Costs.
- (b) The proceeds from any Subsequent Bond Issue shall be used to finance general corporate purposes (including investments, Transaction Costs and acquisitions) of the Group.

### **4. Conditions Precedent**

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account is subject to the Trustee having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The Issuer shall provide, or procure the provision of, the following to the satisfaction of the Trustee:
  - (i) constitutional documents and corporate resolutions for the Issuer and each other party to a Finance Document (other than the Trustee);
  - (ii) copies of the Finance Documents, duly executed;
  - (iii) copies of the Security Documents, duly executed, and evidence that all documents, registrations and other evidences to be delivered pursuant to the Security Documents to perfect the Security have been delivered

and satisfied, provided that any documents and other evidences to be delivered pursuant to the Security Documents but not required for perfection of the Security may be delivered as soon as practicably possible following disbursement of the Net Proceeds from the Initial Bond Issue from the Proceeds Account;

- (iv) evidence that the Existing Debt will be repaid following disbursement of the Net Proceeds from the Initial Bond Issue from the Proceeds Account;
  - (v) evidence by way of a release letter that the security existing in favour of the Existing Debt will be released and discharged upon repayment of the Existing Debt;
  - (vi) an agreed form Compliance Certificate;
  - (vii) legal opinion(s) on the capacity, due execution, in respect of any non-Swedish party (if any) under a Finance Document; and
  - (viii) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law.
- (c) The Trustee may assume that the documentation and evidence delivered to it pursuant to Clause 4(a)-(b) is accurate, legally valid, enforceable, correct and true, and the Trustee does not have to verify or assess the contents of any such documentation. The Trustee does not review the documentation and evidence referred to in Clause 4(a)-(b) above from a legal or commercial perspective of the Bondholders.
- (d) When the conditions precedent for disbursement set out in Clause 4(a)-(b) have been received by the Trustee (acting reasonably), the Trustee shall 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 Trustee shall thereafter or in connection therewith release the pledge over the Proceeds Account.
- (e) If the applicable conditions precedent for disbursement set out in Clause 4(a)-(b) have not been received by the Trustee (acting reasonably) or waived by the Trustee within sixty (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 accrued interest. Any funds distributed by the Trustee 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 4.1(e). 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 sixty (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 accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.

- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond, shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Trustee when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Trustee, the Issuer shall promptly obtain such information and provide it to the Trustee.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such persons employed by the Trustee, as notified by the Trustee, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Trustee or unless consent thereto is given by the Bondholders.
- (f) At the request of the Trustee, the Issuer shall promptly instruct the Issuing Agent to obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Trustee.

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

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

## 7. Payments in Respect of the Bonds

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.
- (e) 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 applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Upon the occurrence of the Aura Kingdom License Event, the Floating Rate Margin shall be increased by 1.00 percentage points (the "**Floating Rate Margin Premium**"). Following the Aura Kingdom License Event, the Interest Rate will be calculated using the Floating Rate Margin Premium from (but excluding) the 31 December 2018 up to (and including) the relevant Redemption Date.
- (c) 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.

- (d) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360 days basis).
- (e) 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 Trustee 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 Redemption Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Redemption Date is not a Business Day, then the redemption shall occur on the first following Business Day.

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

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds. Bonds held by the Issuer may at the Issuer's discretion be retained or sold, but not cancelled.

### **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 (i) 103.875 per cent. of the Nominal Amount plus (ii) the remaining interest payments up to and including 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 103.875 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 date falling 36 months after the First Issue Date at an amount per Bond equal to 102.906 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the first Business Day falling 36 months after the First Issue Date to, but excluding, the date falling 42 months after the First Issue Date at an amount per Bond equal to 101.938 per

cent. of the Nominal Amount, together with accrued but unpaid Interest; and

- (v) any time from and including the first Business Day falling 42 months after the First Issue Date to, but excluding, the Final Redemption Date at an amount per Bond equal to 100.969 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 Trustee. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (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 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 and the Trustee in connection with such repayment.

#### **9.4 Voluntary partial redemption**

- (a) The Issuer may redeem the Bonds on one occasion per each twelve month period (without carry-back or carry forward) in a maximum aggregate amount not exceeding 10 per cent. of the Initial Nominal Amount per each Bond. The repayment must occur on an Interest Payment Date. The repayment per Bond shall be equal to the repaid percentage of the Initial Nominal Amount (rounded down to the nearest EUR 1.00) plus (i) a premium on the repaid amount as specified in Clause 9.3 (*Voluntary total redemption (call option)*) as applicable considering when the redemption occurs.
- (b) Partial redemption in accordance with this Clause 9.4 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Trustee. Any such notice is irrevocable and, upon expiry of such notice, the Issuer is bound to redeem the Bonds in part on the immediately following Interest Payment Date at the applicable amounts. The applicable amount shall be an even amount in Euro and paid to the person who is registered as a Bondholder on the Record Date prior to the relevant Redemption Date.

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

- (a) Upon the occurrence of a Change of Control 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) Business Days following a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1(c) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event.

- (b) The notice from the Issuer pursuant to Clause 11.1(c) 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, or a person designated by 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(c). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 9.5(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.5, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.5 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.5 may at the Issuer's discretion be retained or sold, but not cancelled.

## 10. Transaction Security

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer and each Group Company party to any Security Document grants the Transaction Security to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents.
- (b) The Security Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. The Issuer shall, and shall procure that each Group Company party to any Security Document will, enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents.
- (c) Unless and until the Security Agent has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), 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, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, 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.

## 11. Information to Bondholders

### 11.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language by way of press release and 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 (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) any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (b) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a) in an electronic form, the Issuer shall send copies of such financial statements and other information to the Trustee. The first quarterly report to be made available pursuant to 11.1(a)(ii) above shall be for the period ending on 30 September 2018.
- (c) The Issuer shall promptly notify the Trustee and the Bondholders upon becoming aware of the occurrence of a Change of Control Event or the Aura Kingdom License Event and shall provide the Trustee with such further information as the Trustee may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event or the Aura Kingdom License Event may be given in advance of the occurrence of a Change of Control Event or the Aura Kingdom License Event, conditioned upon the occurrence of such Change of Control Event or Aura Kingdom License Event, in the case of Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.
- (d) The Issuer shall promptly notify the Trustee (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 Trustee with such further information as it may reasonably request in writing following receipt of such notice. Should the Trustee not receive such information, the Trustee is entitled to assume that no



such event or circumstance exists or can be expected to occur, provided that the Trustee does not have actual knowledge of such event or circumstance.

- (e) The Issuer shall submit a duly executed Compliance Certificate to the Trustee:
  - (i) in connection with the incurrence of Financial Indebtedness under item (h) in the definition of "Permitted Debt"; and
  - (ii) in connection with that the annual audited financial statements of the Group delivered pursuant to paragraph (a)(i) above.
- (f) The Trustee may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (e) above is correct, and the Trustee shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (g) The Issuer is only obliged to inform the Trustee according to this Clause 11.1 if informing the Trustee 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 Trustee, in order to be able to timely inform the Trustee according to this Clause 11.1.

## **11.2 Information from the Trustee**

- (a) Subject to the restrictions of a non-disclosure agreement entered into by the Trustee in accordance with Clause 11.2(b), the Trustee 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 Trustee 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 Trustee 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 Trustee.

- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Trustee during the Trustee's normal business hours.

## **12. Financial Undertakings**

### **12.1 Incurrence Test**

The Incurrence Test is met if:

- (a) the Net Interest Bearing Debt to EBITDA is not greater than:
  - (i) 3.00:1 from (and including) the First Issue Date until (and excluding) the first anniversary of the First Issue Date;
  - (ii) 2.75:1 from (and including) the first anniversary of the First Issue Date until (and excluding) the second anniversary of the First Issue Date; and
  - (iii) 2.50:1 from (and including) the second anniversary of the First Issue Date until (and excluding) the Final Redemption Date, and
- (b) no Event of Default is continuing or would occur upon the incurrence of new Financial Indebtedness or the acquisition.

### **12.2 Testing of the Incurrence Test**

- (a) The calculation of the ratio of Net Interest Bearing Debt to EBITDA shall be made as per a testing date determined by the Issuer, falling no more than two months prior to the incurrence of the new Financial Indebtedness. The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include the new Financial Indebtedness provided it is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt). EBITDA shall be calculated as set out below.
- (b) If the Incurrence Test is tested in connection with the incurrence of Financial Indebtedness to be used for an acquisition, the calculation of the ratio of Net Interest Bearing Debt to EBITDA shall be made based on the Net Interest Bearing Debt to EBITDA for the Group including the target company *pro forma* on a consolidated basis. The Net Interest Bearing Debt shall be measured for the Group including the target company *pro forma* on a consolidated basis on the relevant testing date so determined, and include the new Financial Indebtedness incurred by the Group for the acquisition.

### **12.3 Adjustments**

The figures for EBITDA for the Reference Period ending on the relevant test date shall be used for the Incurrence Test, but adjusted so that:

- (a) entities acquired or disposed of by the Group during the Reference Period, or after the end of the Reference Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Reference Period; and
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Reference Period.

## 13. General Undertakings

### 13.1 General

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

### 13.2 Distributions

- (a) The Issuer shall not, and shall procure that none of its Subsidiaries will:
  - (i) pay any dividend on its shares (other than to the Issuer or a wholly-owned Subsidiary of the Issuer);
  - (ii) repurchase any of its own shares;
  - (iii) redeem its share capital or other restricted equity with repayment to shareholders;
  - (iv) grant any loans (other than to the Issuer or a wholly-owned Subsidiary of the Issuer);
  - (v) repay any Subordinated Loans or capitalised or accrued interest thereunder; or
  - (vi) make any other similar distribution or transfers of value to the direct or indirect shareholder of the Issuer, or any Affiliates of the Issuer.

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

- (b) Notwithstanding the above,
  - (i) a Restricted Payment may be made if made to the Issuer or a wholly-owned Subsidiary of the Issuer or, if made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
  - (ii) the Issuer may pay cash interest on, or repay, Subordinated Loans, provided that the aggregate amount paid together with any dividends paid under (iii) below does not exceed EUR 500,000 in any financial year. Payments under this sub-paragraph (ii), may not be made in relation to

Subordinated Loans (A) which existed on the First Issue Date owed to a shareholder of the Group, or (B) carrying a cash interest in excess of 15 per cent. *per annum* of the Subordinated Loan's outstanding principal amount; and/or

- (iii) the Issuer may pay dividends provided that (A) the Incurrence Test is met (*pro forma* including such payment) and (B) the aggregate amount paid together with any payment under (ii) above does not exceed EUR 500,000 in any financial year.

### 13.3 Listing

- (a) The Issuer shall (A) use its best efforts to procure that the initial Bonds are listed at the Frankfurt Stock Exchange Open Market on or about the First Issue Date, and (B) ensure that the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm, or if such admission to trading is not possible to obtain or maintain or if the Issuer determines in its reasonable discretion that a different Regulated Market should be preferred, admitted to trading on another Regulated Market within 60 days after the First Issue Date, and with an intention to complete such listing within 30 days after the First Issue Date.
- (b) The Issuer shall ensure that any Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm or another Regulated Market within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 20 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date falling 60 days after the First Issue Date in which case such Subsequent Bonds shall be listed on the corporate bond list of Nasdaq Stockholm or another Regulated Market within 60 days after the First Issue Date) and on Frankfurt Stock Exchange Open Market on or about the issue date of such Subsequent Bonds.
- (c) The Issuer shall ensure that, once the Bonds are listed on the relevant Regulated Market and/or the Frankfurt Stock Exchange Open Market, the Bonds continue being listed on such Regulated Market and/or the Frankfurt Stock Exchange Open Market for as long as any Bond is outstanding (however, taking into account the rules and regulations of such Regulated Market, the 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 none of its Subsidiaries will, incur, prolong, renew or extend any Financial Indebtedness, provided however that the Issuer and its

Subsidiaries have a right to incur, prolong, renew or extend Financial Indebtedness that constitutes Permitted Debt.

### **13.6 Disposal of Assets**

The Issuer shall not, and shall procure that none of its Subsidiaries will, sell or otherwise dispose of any shares in any Subsidiary or of any substantial assets (including but not limited to material intellectual property rights) or operations to any person not being the Issuer or any of its wholly-owned Subsidiaries, except if 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. Notwithstanding the aforementioned, the Issuer shall not, and shall procure that none of its Subsidiaries will, dispose of share or assets (including but not limited to material intellectual property rights) pledged under the Security Documents.

### **13.7 Negative Pledge**

The Issuer shall not, and shall procure that none of its Subsidiaries will, provide, prolong or renew any security over any of its/their assets (present or future) to secure Financial Indebtedness, provided however that the Issuer and the Group have a right to provide, retain, prolong or renew, any Permitted Security. Notwithstanding the aforementioned, the Issuer shall not, and shall procure that none of its Subsidiaries will, provide, prolong or renew any security over any of its intellectual property rights (including its domain names).

### **13.8 Loans Out**

The Issuer shall not, and shall procure that none of its Subsidiaries will, extend any loans in any form to any other party other than (i) loans made to other Group Companies, (ii) loans made in the ordinary course of business, or (iii) any other loans made by any Group Company to any third parties not exceeding EUR 200,000 in aggregate.

### **13.9 Clean Down Period**

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 any Unsecured Working Capital Facility (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 six (6) months shall elapse between two such periods. The clean down shall be confirmed in the next Compliance Certificate delivered pursuant to Clause 11.1(e)(ii).

### **13.10 Dealings with related parties**

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

### **13.11 Additional Security**

(a) The Issuer shall procure that:

- (i) Security is granted to the Secured Parties over the shares in Group Companies representing at least 80.00 per cent. or more of EBITDA of the Group (calculated on a consolidated basis), and if the compliance certificate delivered pursuant to Clause 11.1(e)(ii) sets out that Security over the shares in Group Companies representing at least 80.00 per cent. or more of EBITDA of the Group (on a consolidated basis) has not been granted to the Secured Parties, the Issuer shall grant Security to the Secured Parties, so that (i) above is complied with no later than 60 days following delivery of the Compliance Certificate delivered pursuant to Clause 11.1(e)(ii); and
  - (ii) Security is granted to the Secured Parties over all the shares in Elbspree Media Holding GmbH immediately following a merger between Aeria Games GmbH and Elbspree Media Holding GmbH (unless the Elbspree Merger has been completed prior to the disbursement of the Net Proceeds from the Initial Bond Issue, in which case all the shares in Elbspree Media Holding GmbH shall be pledged prior to such disbursement).
- (b) and in connection with item (a)(i) and (a)(ii) above provide to the Trustee:
- (i) constitutional documents and corporate resolutions for the relevant security provider and each other party to that Security Document (other than the Security Agent);
  - (ii) copies of such new Security Document(s), duly executed, and evidence that all documents, registrations and other evidences to be delivered pursuant to the Security Document(s) to perfect the security have been delivered and satisfied, provided that any documents and other evidences to be delivered pursuant to the Security Document(s) but not required for perfection of the security may be delivered as soon as practicably possible;
  - (iii) accession to the Parallel Debt Agreement, to the extent such security provider is an entity providing Security under a German law governed Security Document;
  - (iv) any legal opinion on the capacity and due execution in respect of any entity being a party to the relevant new Security Document (unless it is incorporated in Sweden), issued by a reputable law firm; and
  - (v) any legal opinion on the validity and enforceability in respect of the relevant new Security Document (unless it is governed by Swedish law) which shall also include customary opinions regarding the role of the Security Agent in such jurisdiction (such as no residency or registration requirement and no need to deposit funds), issued by a reputable law firm.

### **13.12 Additional Security over Material Intercompany Loans**

The Issuer shall and shall procure that each Group Company will, upon the incurrence of a Material Intercompany Loan, grant a pledge over that Material Intercompany Loan as Security (subject to customary financial assistance and corporate benefit limitations) for all amounts outstanding under the Finance Documents and simultaneously therewith deliver to the Trustee (unless previously provided), the documents listed in Clause 13.11(b) above.

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

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.9 (*Acceleration of the Bonds*)) is an Event of Default.

### **14.1 Non-Payment**

The Issuer 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) Business Days of the due date.

### **14.2 Other Obligations**

A party (other than the Trustee) does not comply with its obligations under the Finance Documents, in any other way than as set out in Clause 14.1 (*Non-Payment*) above, provided that the Trustee has requested the Issuer in writing to remedy such failure and the Issuer has not remedied the failure within fifteen (15) Business Days from such request (if the failure or violation is not capable of being remedied, the Trustee may declare the Bonds due and payable without such prior written request).

### **14.3 Cross-acceleration**

Any Financial Indebtedness of a Material Group Company is:

- (a) not paid when due as extended by any originally applicable grace period; or
- (b) is declared to be due and payable prior to its specified maturity as a result of an event of default (however described),

provided that no Event of Default will occur under this Clause 14.3 if the aggregate amount of Financial Indebtedness that has fallen due is less than EUR 1,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

### **14.4 Insolvency**

- (a) Any Material Group Company is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or

anticipated financial difficulties, commences negotiations with its creditors generally (except for Bondholders) with a view to rescheduling its Financial Indebtedness; or

- (b) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company.

#### **14.5 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 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries, solvent liquidations) in relation to the:

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

#### **14.6 Creditors' Process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value of an amount equal to or exceeding EUR 1,000,000 and is not discharged within 60 days.

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

- (a) A decision is made that any Group Company shall be demerged or merged, but only if such merger or demerger is likely to have a Material Adverse Effect, provided that a merger subject to existing Security between Group Companies only or between the Issuer and a Group Company, where the Issuer is the surviving entity, shall not be an Event of Default and a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default and provided that the Issuer may not be demerged.
- (b) Notwithstanding the above, the Elbspree Merger shall be permitted provided that Elbspree media Holding GmbH is pledged for the benefit of the Secured Parties, immediately following the Elbspree Merger (unless the Elbspree Merger has been completed prior to the disbursement of the Net Proceeds from the Initial Bond Issue, in which case all the shares in Elbspree Media Holding GmbH shall be pledged prior to such disbursement).



## 14.8 Continuation of the Business

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

## 14.9 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing the Trustee is entitled to, and shall following an instruction given pursuant to Clause 14.9(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 Trustee determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Trustee may not accelerate the Bonds in accordance with Clause 14.9(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 Trustee shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Trustee received actual knowledge of that an Event of Default has occurred and is continuing. The Trustee shall, within twenty (20) Business Days of the date on which the Trustee received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Trustee decides not to accelerate the Bonds, the Trustee shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Trustee 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 Trustee to accelerate the Bonds, the Trustee shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Trustee, 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) In the event of an acceleration of the Bonds in accordance with this Clause 14.9, the Issuer shall, redeem all Bonds at an amount per Bond equal to the redemption amount specified in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, the redemption amount specified in Clause 9.3 (*Voluntary total redemption (call option)*).

## 15. Distribution of Proceeds

All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority:

- (a) first, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Trustee in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the protection of the Bondholders' rights as may have been incurred by the Trustee, (iii) any costs incurred by the Trustee for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2(g), and (iv) any costs and expenses incurred by the Trustee in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(c);
- (b) secondly, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) thirdly, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (d) fourthly, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

## 16. Decisions by Bondholders

- (a) A request by the Trustee for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Trustee) 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 Business Day immediately following the day on which the request is received by the Trustee 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 Trustee and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Trustee. The person requesting the decision may suggest the form for decision making, but if it is in the Trustee'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 Trustee 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 Trustee that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a person who is, or who has been provided with a power of attorney pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a person who is, registered as a Bondholder:
- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least 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 50,000,000 (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 (other than as a result of an application of Clause 9.4 (*Voluntary partial redemption*));
  - (v) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
  - (vi) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
  - (vii) 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;

- (viii) a release of the Transaction Security, except in accordance with the terms of the Security Documents;
  - (ix) a mandatory exchange of the Bonds for other securities; and
  - (x) 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 or the enforcement of any Transaction Security.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at 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.
- (h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Trustee 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 Trustee, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Trustee, under the Finance Documents shall be subject to the Issuer's or the Trustee'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 incurred by the Issuer or the Trustee for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Trustee, 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 Trustee provide the Trustee 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 Trustee 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 Trustee, 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 Trustee, as applicable.

## **17. Bondholders' Meeting**

- (a) The Trustee shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Trustee, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Trustee. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters

that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Trustee may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Trustee may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **18. Written Procedure**

- (a) The Trustee shall instigate a Written Procedure (which may be conducted electronically in a manner determined by the Trustee) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Trustee, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Trustee.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19. Amendments and Waivers**

- (a) The Issuer and the Trustee and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:

- (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The 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.
- (c) The Trustee 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.
- (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 Trustee, as the case may be.

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

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

- (a) By subscribing for Bonds, each initial Bondholder appoints the Trustee 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 Trustee 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.
- (b) Each Bondholder shall immediately upon request provide the Trustee and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Trustee or the Security Agent, as applicable), that the Trustee 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 Trustee nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.

- (c) The Issuer shall promptly upon request provide the Trustee and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Trustee or the Security Agent, as applicable), that the Trustee 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.
- (d) Each of the Trustee 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 Trustee'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.
- (e) Each of the Trustee 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.
- (f) In relation to the German law governed Security Documents, the Security Agent shall:
  - (i) hold and administer security interests under the German law Security Documents which is assigned by way of security (De. *Sicherungsabtretung*) or otherwise granted under a non-accessory security right (De. *nicht akzessorische Sicherheit*) as trustee (De. *Treuhänder*) for the benefit of the Secured Parties;
  - (ii) administer security interests under the German law Security Documents which is pledged (De. *Verpfändung*) or otherwise granted under an accessory security right (De. *akzessorische Sicherheit*) to the Security Agent and/or the other Secured Parties; and
  - (iii) act in relation to the security interests under the German law Security Documents in accordance with the terms and subject to the conditions of these Terms and Conditions and the relevant German law Security Document, as the case may be.
- (g) The appointment of the Security Agent in relation to German law Security Documents constitutes a contract for the benefit of a third party (De. *Vertrag zugunsten Dritter*) according to sec. 328 et seq. of the German Civil Code.
- (h) It is agreed that, in relation to any jurisdiction the courts of which would not recognise or give effect to the trust expressed to be created by these Terms and Conditions in relation to the German law Security Documents, the relationship of the Secured Parties to the Security Agent shall be construed as one of principal and agent but, to the extent permissible under the laws of such jurisdiction, that all the other provisions of these Terms and Conditions shall have full force and effect between the parties hereto.
- (i) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Trustee and the Security Agent to act on its behalf, as



set forth in Clause 20.1(a) and 20.1(f) above and hereby ratifies and approves all acts done by the Security Agent on such Bondholder's behalf.

## **20.2 Duties of the Trustee and the Security Agent**

- (a) Each of the Trustee 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 on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Trustee 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 Trustee and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Trustee 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 Trustee's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Trustee 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 Trustee nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Trustee 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 Trustee 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 Trustee 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 Trustee 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 Trustee 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 Trustee 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 Trustee reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Transaction Security which the Trustee reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Trustee and the Issuer. Any compensation for damages or other recoveries received by the Trustee 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) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Trustee 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.
- (i) If in the Trustee's or Security Agent's 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 Trustee 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.
- (j) Unless it has actual knowledge to the contrary, each of the Trustee 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.
- (k) Each of the Trustee 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 Trustee under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2(i).

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

- (a) Neither the Trustee 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 Trustee nor the Security Agent shall be responsible for indirect loss.
- (b) Neither the Trustee 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 Trustee 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 Trustee 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 Trustee 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 Trustee 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 Trustee and the Security Agent**

- (a) Subject to Clause 20.4(f), each of the Trustee and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Trustee and/or the Security Agent at a Bondholders' Meeting convened by the retiring Trustee or by way of Written Procedure initiated by the retiring Trustee.
- (b) Subject to Clause 20.4(f), if the Trustee and/or the Security Agent is Insolvent, the Trustee and/or the Security Agent (as applicable) shall be deemed to resign as Trustee and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Trustee and/or a successor Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Trustee and/or the Security Agent and appointing a new Trustee 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 Trustee and/or the Security Agent be dismissed and a new Trustee and/or a new Security Agent be appointed.
- (d) If the Bondholders have not appointed a successor Trustee 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 Trustee and/or the Security Agent was dismissed through a decision by the Bondholders,

the Issuer shall appoint a successor Trustee and/or successor Security Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- (e) The retiring Trustee and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Trustee and/or the successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Trustee and/or successor Security Agent may reasonably request for the purposes of performing its functions as Trustee and/or the Security Agent under the Finance Documents.
- (f) The Trustee's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Trustee and/or the successor Security Agent and acceptance by such successor Trustee and/or the successor Security Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Trustee and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Trustee 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 Trustee 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 Trustee and/or the Security Agent.
- (h) In the event that there is a change of the Trustee 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 Trustee and/or the Security Agent may reasonably require for the purpose of vesting in such new Trustee and/or the Security Agent the rights, powers and obligation of the Trustee and/or the Security Agent and releasing the retiring Trustee and/or the Security Agent from its further obligations under the Finance Documents. Unless the Issuer and the new Trustee and/or the new Security Agent agrees otherwise, the new Trustee and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Trustee and/or the Security Agent (as applicable).

## **21. Appointment and Replacement of the Issuing Agent**

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

the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## 22. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security 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 22(a) shall not apply if the Trustee 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 (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1(b)), such actions 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 Trustee under the Finance Documents or the Agency Agreement or by any reason described in Clause 20.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2(k) before a Bondholder may take any action referred to in Clause 22(a).
- (c) The provisions of Clause 22(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.5 (*Mandatory repurchase due to a Change of Control Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## 23. Prescription

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

## 24. Notices and Press Releases

### 24.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Trustee, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch;
  - (ii) if to the Issuer, to the following address:
    - (A) gamigo AG  
Behringstraße 16b  
22765 Hamburg  
Germany
    - (B) if sent by email by the Trustee, to the email address notified by the Issuer to the Trustee from time to time.
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A Notice to the Bondholders shall also be published on the websites of the Group and the Trustee.
- (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 and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1(a) or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1(a).
- (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.
- (d) If an Event of Default is continuing, any notice or other communication made by the Trustee to the Issuer under or in connection with the Finance Documents may, provided that the Trustee deems it necessary in order to preserve the Bondholders' rights under the Finance Documents, be sent by email and will be effective on the day of dispatch (unless a delivery failure message was received by the Trustee), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day. Any notice or other communication to be sent by email by the Trustee to the Issuer in accordance with this paragraph (c) shall be sent to the CFO or the CEO of the Issuer, to the email addresses most recently notified by the Issuer to the Trustee.

## 24.2 Press releases

- (a) Any notice that the Issuer or the Trustee shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 9.4 (*Voluntary partial redemption*), 14.9(c), 16(o), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Trustee, as applicable.
- (b) In addition to Clause 24.2(a), if any information relating to the Bonds or the Group contained in a notice the Trustee may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Trustee shall before it sends such information to the Bondholders 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 Trustee 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 Trustee shall be entitled to issue such press release.

## 25. Force Majeure and Limitation of Liability

- (a) Neither the Trustee nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Trustee or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the Trustee or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 26. Governing Law and Jurisdiction

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

We hereby certify that the above terms and conditions are binding upon ourselves.

**gamigo AG**

as Issuer

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Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

**Nordic Trustee and Agency AB (publ)**

as Trustee

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Name:



**ADDRESSES****ISSUER****gamigo AG**

Behringstraße 16b

22765 Hamburg

Germany

Tel.: +49 40 411 885 0

Fax: +49 40 411 885 255

**ISSUING AGENT & SOLE BOOKRUNNER****Pareto Securities AB**

Berzelii Park 9

P.O. Box 745

SE-103 91 Stockholm

Sweden

Tel.: +46 8 402 50 00

**LEGAL COUNSEL****Roschier Advokatbyrå AB**

Brunkebergstorg 2

P.O. Box 7358

SE-103 90 Stockholm

Sweden

Tel.: +46 8 553 190 00

Fax: +46 8 553 190 01

**AGENT****Nordic Trustee & Agency AB (publ)**

Norrländsgatan 23

P.O. Box 7329

SE-103 90 Stockholm

Sweden

Tel.: +46 8 783 7900

**AUDITOR****Rödl & Partner GmbH**Wirtschaftsprüfer- und  
Steuerberatungsgesellschaft

Krankenhaus 1

Im Zollhafen 18

50678 Köln

Germany

Tel.: +49 911 91 93 0

Fax: +49 911 91 93 1900

**CENTRAL SECURITIES DEPOSITORY****Euroclear Sweden AB**

Box 191

SE-101 23 Stockholm

Sweden

Tel.: +46 8 402 90 00