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Notice of written procedure – Request for approval of the Restructuring

Stockholm, 15 April 2021

To Bondholders of the up to EUR 60,000,000 senior secured floating rate bonds 2018/2021 with ISIN SE0010831792 (the "Bonds") issued by European Lingerie Group AB (publ) (the "Issuer") on 22 February 2018.

Capitalised terms not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the terms and conditions relating to the Bonds dated 19 February 2018, as amended and restated on 8 September 2020 (the "**Terms and Conditions**").

This notice and voting request has been sent by Intertrust (Sweden) AB (the "Agent") on 15 April 2021 to direct registered owners and registered authorised nominees (Sw. *förvaltare*) of the Bonds recorded as of 14 April 2021 in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB (the "CSD"). This voting request has also been published on the websites of the Issuer and the Agent in accordance with the Terms and Conditions. If you are an authorised nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding Bonds on behalf of someone else on a securities account, please forward this notice and voting request to the holder you represent as soon as possible. See "Voting rights and authorisation" under Section 6 (*Written Procedure*) for further information.

At the request of certain major holders of Bonds which together are representing beneficial holders of Bonds representing approximately 64 per cent. of the Adjusted Nominal Amount (the "**Bondholder Committee**")¹, the Agent, acting in its capacity as agent for the Bondholders under the Terms and Conditions, hereby initiates a written procedure (the "**Written Procedure**"), in which the Bondholders can vote for or against the Request (as defined in Section 4 (*Request*) below), the background of which is described in Section 1 (*Introduction*) and Section 2 (*The Restructuring*) below.

¹ The Bondholder Committee consists of (i) Noble Fund Private Debt FIZAN, (ii) Cohanzick Management, LLC and CrossingBridge Advisors, LLC, (iii) "CBL Asset Management" Ieguldījumu Pārvaldes Akciju Sabiedrība acting as manager of the State Funded Pension Scheme pension investment plans "CBL Aktīvais Ieguldījumu Plāns" and "CBL Universālais Ieguldījumu Plāns" according to the State Funded Pensions Act (Valsts fondēto pensiju likums) of the Republic of Latvia, investment funds "CBL Global Emerging Markets Bond Fund" and "CBL Eastern European Bond Fund" according to the Investment Management Companies Act (Ieguldījumu pārvaldes sabiedrību likums) of the Republic of Latvia, and pension plans "CBL Aktīvais" and "CBL Sabalansētais" according to the Private Pension Funds Act (Privāto pensiju fondu likums) of the Republic of Latvia, (iv) Alfred Berg Kapitalförvaltning AS, (v) Signet Bank AS and (vi) Genève Invest (Europe) S.A.

The Request is presented to the Bondholders without evaluation, advice or recommendations from the Agent. The Agent has not reviewed or assessed this Notice to a Written Procedure or the Request (and their effects, should it be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice to a Written Procedure or the Request (and their effects, should it be adopted). The Bondholders must independently evaluate whether the Request and its effects are acceptable or not.

All Bondholders are strongly encouraged to review and consider the Request. Prior to voting in this Written Procedure, each Bondholder shall carefully review and assess the risk factors set out in Section 3 (Risk factors).

Bondholders participate by completing and sending the voting form, attached hereto as Schedule 1 (Voting form) (the "**Voting Form**") and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (Power of attorney/authorisation) (the "**Power of Attorney**") or other sufficient evidence, if the Bonds are held in custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form no later than 12.00 a.m. (Stockholm time) on 11 May 2021 either by mail, courier or email to the Agent using the contact details set out below under Section 6.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the formal criteria for being a Bondholder on 27 April 2021 (the "**Record Date**"). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

Key information:	
Record Date for being eligible to vote:	27 April 2021
Deadline for voting:	12.00 a.m. (Stockholm) on 11 May 2021
Quorum requirement:	At least at least fifty (50.00) per cent of the Adjusted Nominal Amount must reply in the Written Procedure
Majority requirement:	At least sixty-six and two-thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Holders reply in the Written Procedure

1. Introduction

1.1 Background

The Issuer is a public limited liability company incorporated under the laws of Sweden. The Issuer is owned and controlled by its majority shareholders Helike Holdings OÜ (“**Helike**”) and Bryum Capital Ltd (“**Bryum**”). The remaining shares in the Issuer are held by certain minority shareholders.

The Issuer has had and has financial difficulties and is in default under the Terms and Conditions due to, *inter alia*, the non-payment of interest and breach of financial covenants. There have been discussions over a longer period of time between among others the Issuer, the Agent and the Bondholder Committee regarding a potential agreement on a voluntary out-of-court restructuring of the Issuer and its subsidiaries and the Bonds in order to prevent the insolvency and bankruptcy of the Issuer and in order to secure any return on the Bondholders’ investment in the Bonds.

On 29 July 2020, ELG, Helike, Bryum and the Bondholder Committee entered into a standstill letter pursuant to which it was agreed to initiate a standstill period for acceleration of the Bonds, pursuant to which the Bondholder Committee confirmed that it would not instruct the Agent to accelerate the Bonds and/or enforce the Transaction Security under the Terms and Conditions or the Security Documents (as amended and extended from time to time, the “**Standstill Letter**”). In conjunction therewith, Helike, Bryum and the Agent entered into a pledge agreement whereby Helike’s and Bryum’s shares in the Issuer were pledged to the Agent (the “**Issuer Share Pledge**”). Pursuant to the terms of the Standstill letter, the standstill period and the prolongation of the standstill period were subject to that the Issuer would attract an investor for an investment into the Group.

The standstill period has resulted in an agreement with (i) the Latvian bank AS “Rietumu Banka” with registry code 40003074497 (the “**Bank**”) to provide a loan to the Group Companies SIA European Lingerie Group (“**SIA ELG**”) and Liepājas speciālās ekonomiskās zonas “LAUMA FABRICS” SIA (“**Lauma**” and together with SIA ELG, the “**Co-Borrowers**”) and (ii) the Bank’s affiliated company “RB ELG” SIA with registry code 40203298108 (the “**Buyer**”) to purchase from the Issuer 30.00 per cent. of the shares in SIA ELG and certain receivables with SIA ELG as debtor, subject to, *inter alia*, the approval of the Request as set out in this Written Procedure and as further described herein.

After a competitive bid process with several investors showing an interest in the Issuer group and placing bids on the Issuer and/or the Issuer group, it has been concluded that the best cash compensation offered is the offer received from the Bank and the Buyer. Considering the structure of alternative offers and timing and prospects with respect to a potential future return on any alternative non-cash compensation offered by other bidders, the offer received from the Bank and the Buyer, is also for other reasons considered the strongest offer.

1.2 Restructuring Agreements

A master transaction agreement dated 13 April 2021² has been entered between the Bondholder Committee, the Bank, the Buyer, Helike, Bryum, the Issuer and the Co-

² Signing of the agreement was initiated on 13 April and completed on 14 April 2021.

Borrowers setting out the principal terms and conditions for the Restructuring (as defined below) (the "**MTA**"), superseding the Standstill Letter.

To ensure fulfilment of payment liabilities, *inter alia*, towards the Bondholders in accordance with the MTA, an escrow account maintenance agreement regarding an escrow account opened by the Bank (the "**Escrow Account**") has been entered into between the Bank, the Buyer, the Issuer, the Co-Borrowers and the Agent (on behalf of the Bondholders) (the "**Escrow Agreement**").

Furthermore, a loan agreement has been entered into between the Bank and the Co-Borrowers (the "**Loan Agreement**"), a share purchase agreement has been entered into between the Buyer and the Issuer (the "**SPA**"), an assignment agreement has been entered into between the Issuer and the Buyer and SIA ELG as debtor, an escrow agreement has been entered into between the Bank, a German Group Company and the Co-Borrowers, another escrow agreement has been entered into between the Bank, the Buyer, the Issuer and the Co-Borrowers and a shareholders' agreement has been entered into between the Buyer and the Issuer.

The agreements referenced in this Section 1.2, together setting out the terms and conditions for the Restructuring and the Bank's and the Buyer's investment in the Group, are collectively referred to as the "**Restructuring Agreements**". The Restructuring Agreements aim to, *inter alia*, prevent the insolvency and bankruptcy of the Issuer and secure any return on the Bondholders' investment in the Bonds as further described in Section 2 (*The Restructuring*) (the "**Restructuring**").

Prior to completion of the Restructuring, no amendments or assignments shall be made in relation to the Restructuring Agreements (other than in relation to the assignment agreement as set forth therein), without the prior written consent of the Bondholder Committee. It is hereby noted, that in the event the MTA is terminated prior to the completion of the Restructuring, the Restructuring Agreements shall terminate and the transactions under the respective Restructuring Agreement shall be rescinded and funds released as further set out in the respective Restructuring Agreement.

The Bondholder Committee has undertaken to instruct the Agent to summon this Written Procedure as soon as possible after signing of the MTA and no later than 5 Business Days following the date of the MTA.

1.3 Lock-up and voting undertakings

Each member of the Bondholder Committee, representing approximately 64 per cent. of the Adjusted Nominal Amount, has undertaken under the MTA not to sell the Bonds they represent (lock-up) until the earlier of (i) when such Bondholder Committee member no longer holds any Bonds due to the Restructuring, (ii) the Written Procedure is concluded to have rejected the Restructuring and (iii) 15 June 2021 ("**Lock-up Period**"). Each member of the Bondholder Committee shall however be entitled to sell the Bonds they represent during the Lock-up Period if the seller of any Bonds ensures that the purchaser of such Bonds accedes to the undertakings in the MTA.

Furthermore, each member of the Bondholder Committee has irrevocably and unconditionally undertaken to vote and/or undertaken to ensure that the holding of Bonds they represent vote in favour of the Restructuring as set out in this Written Procedure.

2. The Restructuring

Subject to, *inter alia*, the approval of the Restructuring from the Bondholders by this Written Procedure, the parties to the MTA have agreed to execute the Restructuring of the Issuer mainly by the Bank providing a loan to SIA ELG and Lauma and the Buyer purchasing 30.00 per cent. of the shares in SIA ELG and claims against SIA ELG resulting in proceeds to Issuer and its subsidiaries of EUR 27,000,000 to be used and applied, *inter alia*, towards repayment/amortisation of the Bonds with (approximately) EUR 21,000,000³ (the "**Bond Repayment**"), to be executed by the actions summarised in this Section 2 and according to, and subject to, the provisions specified in the Restructuring Agreements.

2.1 The steps of the Restructuring

The Restructuring includes the following steps, which have been or will be executed as agreed and as further described herein and in the Restructuring Agreements:

- (1) The Restructuring Agreements are dated 13 April 2021⁴. On the same date, the Bank received the necessary corporate documentation from the Co-Borrowers, Helike, Bryum and the Issuer evidencing that the relevant Restructuring Agreements were accepted by them.
- (2) Within 2 Business Days of the date of the Restructuring Agreements:
 - (i) the Group shall deposit EUR 180,000 on a deposit account with the purpose to use the funds for the advance payment to the Arbitration Institute of the Stockholm Chamber of Commerce in case any of the parties to the Escrow Agreement request arbitration;
 - (ii) intragroup transfers of all shares in the Group Companies Felina France S.a.r.l. and Senselle LLC from the Issuer to SIA ELG shall be initiated (the "**Intragroup Share Transfers**");
 - (iii) the Bank shall procure that EUR 21,500,000 (the "**Escrow Amount**") as part of the loan under the Loan Agreement is deposited at the Escrow Account (subject to the terms of the Restructuring Agreements);
 - (iv) the Bank shall procure that EUR 2,000,000 is deposited at the relevant escrow account (subject to the terms of the Restructuring Agreements) with the purpose to use the funds to purchase and refinance a bank loan of approximately EUR 4,350,000 issued to a German Group Company (the "**German Bank Loan**"); and
 - (v) the Buyer shall procure that purchase price of 30.00 per cent of the shares in SIA ELG in the amount of EUR 2,000,000 and purchase price 1 of the assignment of claims according to the assignment agreement in the amount of EUR 500,000 are deposited at the relevant escrow account (subject to the terms of the Restructuring Agreements).

³ The final amount of the Bond Repayment may be subject to downward rounding due to any negative interest charged by the relevant Swedish bank on the EUR 21,000,000, while being held on the client account administered by Gernandt & Danielsson Advokatbyrå KB in the name of the Agent, as described in this Section 2.

⁴ Signing of the agreements were initiated on 13 April and completed on 14 April 2021.

- (3) The loan granted by the Bank to the Co-Borrowers will be secured by pledges over the Group's assets, including financial pledges, commercial pledges, share pledges, real estate mortgages and guarantees (together, the "**Bank Security**"). As soon as possible following the approval of the Request as set out in this Written Procedure, second ranking (or first ranking, where the security is not already pledged to the Agent for and on behalf of the Bondholders) pledges in favour of the Bank over certain material Bank Security shall be registered and/or duly perfected as required under applicable law and evidence thereof provided to the Bank. In addition, subject to the approval of the Request as set out in this Written Procedure, the Bank's pledge rights arising from the Bank Security that is not material Bank Security shall be registered and/or duly perfected as required under applicable law in favour of the Bank prior to First Closing (as defined below). The Agent, on behalf of the Bondholders, shall provide to the Bank the duly executed (in accordance with the instructions from the Bank and as further set out in the Restructuring Agreements and the relevant security agreements) consents and documents for the registration of such Bank Security.
- (4) As soon as possible following the approval of the Request as set out in this Written Procedure and the completion of the Intragroup Share Transfers mentioned in item (2)(ii) above, closing under the SPA shall be executed including *inter alia*:
- (i) the Agent (on behalf of the Bondholders) providing duly executed consents for the execution of the share transfer to the Buyer under the SPA as well as the registration of second ranking pledge over the SIA ELG Share Pledge in favour of the Bank;
 - (ii) the Agent (on behalf of the Bondholders) and the Buyer entering into a share pledge agreement, whereby 30.00 per cent. of the shares in SIA ELG (*i.e.*, the shares acquired by the Buyer under the SPA) are pledged by the Buyer to Agent and the Bondholders for the period up to First Closing (as defined below) (the "**SIA ELG Share Pledge**"); and
 - (iii) the registrations of the Buyer's title and ownership rights to 30.00 per cent. of the shares in SIA ELG in the commercial register and the SIA ELG Share Pledge (including second ranking pledge in favour of the Bank) in the commercial pledge register being initiated.
- (5) On First Closing (as defined below):
- (i) the Co-Borrowers will upstream (if all appropriate provisions of the Escrow Agreement are fulfilled properly) funds to the Issuer in order to finance the Bond Repayment (including SIA ELG granting a loan to the Issuer) and to cover transaction related costs of the Agent, and SIA ELG and the Issuer will complete certain other intra-group transfers of receivables;
 - (ii) the Buyer's title and ownership rights to the 30.00 per cent. of the shares in SIA ELG and the SIA ELG Share Pledge (including second ranking pledge in favour of the Bank) shall have been duly registered;
 - (iii) the Agent (on behalf of the Bondholders) shall release the Transaction Security, including the Issuer Share Pledge and the SIA ELG Share Pledge, and initiate the registrations of such release, as applicable;

- (iv) the escrow amount mentioned in item (2)(iv) above shall be released and the German Bank Loan purchased for EUR 1,500,000 (the remaining EUR 500,000 shall be released to a Group Company in order to refinance part of the purchase price (EUR 500,000) for purchasing the German Bank Loan previously paid by a Group Company);
 - (v) the Escrow Amount (if all appropriate provisions of the Escrow Agreement are fulfilled properly) shall be released to the Agent and paid to a client account administered by Gernandt & Danielsson Advokatbyrå KB in the name of the Agent, of which EUR 21,000,000 shall be used to finance the Bond Repayment and EUR 500,000 shall be used to pay transaction fees and costs of the Agent and its advisors; and
 - (vi) promptly (and as soon as possible as the CSD system and process allows) upon release of the Escrow Amount as per item (v) above, EUR 21,000,000 shall be transferred by the Agent to the Issuer's CSD affiliated bank account and the Issuer shall make the Bond Repayment, whereby the Bonds are repaid with EUR 21,000,000.
- (6) The remaining outstanding Nominal Amount of the Bonds of EUR 19,000,000 after the Bond Repayment and any accrued and unpaid interest under the Bonds will be written down through a voluntary composition of debt in accordance with separate voluntary composition agreement entered into by the Agent (on behalf of the Bondholders) (the "**Write Down**").

It shall be noted that the Restructuring (including the Write Down) is, in the opinion of the Issuer and the Bondholder Committee, the only viable solution to avoid the insolvency and bankruptcy of the Issuer.

Following First Closing, a second closing and certain post-closing actions will be carried out as further described below. It shall be noted that all steps of the Restructuring that affect the Bondholders, including the release of Transaction Security, the Bond Repayment and the Write Down, will be completed at First Closing or as soon as technically possible following First Closing.

2.2 Conditions precedent for the Restructuring

The obligation of the parties to complete the First Closing and the Restructuring is subject to:

- (1) the approval of the Request as set out in this Written Procedure;
- (2) the Intragroup Share Transfers having been completed; and
- (3) that no governmental authority enacts, issues, promulgates or enforces any law, non-appealable judgment, decree or injunction that is in effect immediately prior to First Closing (as defined below) and restrains or prohibits the MTA or First Closing in general or any of its steps.

In the event that the conditions precedent set forth above (the "**Conditions Precedent**") have not been satisfied or waived by the parties to the MTA by 15 June 2021 at the latest, each of parties shall have the right, by written notice to the other parties, to terminate the MTA, and effectively the Restructuring, with immediate effect.

In the event that the MTA is terminated by either of the parties thereto as set forth above, the parties shall have no further liability against each other under the MTA, except that a

party shall compensate the other parties for any direct loss incurred or paid by the other parties as a result of the first party's breach of any obligation under the MTA (if objected to by the breaching party as determined by a non-appealable judgement). However, certain provisions in the MTA regarding confidentiality, announcement and governing law and disputes shall survive any termination of the MTA pursuant to the above.

In the event the MTA is terminated prior to the completion of the Second Closing (as defined below), the SPA and the Loan Agreement shall also terminate in accordance with the procedure laid down in the mentioned agreements.

In addition to the Conditions Precedent, which are set out in the MTA, it shall be noted that the other Restructuring Agreements, in particular the Loan Agreement and the Escrow Agreement, which are based on the Bank's template loan and escrow agreement, contain conditions and circumstances which if not satisfied could also be ground for termination and/or entitle the Bank to refuse issuing the loan under the Loan Agreement or otherwise act in a way which inhibits the completion of the Restructuring. As further described in Section 3 (*Risk factors related to the Restructuring*) below, the fulfilment of such conditions and circumstances and any actions undertaken by the Bank due to a breach thereof, as further stipulated in the relevant Restructuring Agreements, is outside the Agent's and the Bondholder Committee's control and could effectively constitute conditions precedent for completion of the entire Restructuring.

2.3 Closing of the Restructuring

2.3.1 First Closing

Closing of the main part of the Restructuring (including, *inter alia*, the Bond Repayment) will be carried out by one simultaneous first closing (the "**First Closing**"). The closing actions described in this Section 2.3.1 shall be deemed to occur simultaneously and First Closing shall not be deemed to have occurred until and unless (i) the Conditions Precedent have been satisfied or waived and (ii) all of the actions to occur at First Closing have been performed or the performance thereof have been waived by the parties to the MTA.

First Closing shall occur on the earliest Business Day practically possible after (i) the Conditions Precedent have either been satisfied or waived, (ii) the second ranking pledges (first ranking to the extent not pledged to the Agent for and on behalf of the Bondholders) over the material Bank Security in favour of the Bank have been registered and/or duly perfected as required under applicable law and (iii) the Buyer's title and ownership rights to 30.00 per cent. of the shares in SIA ELG and the SIA ELG Share Pledge have been registered; however, at the latest on 15 June 2021 or such later date that is agreed between the parties to the MTA.

At First Closing, *inter alia*, the following shall occur:

- (1) The Bondholder Committee (for and on behalf of the Bondholders) shall present evidence that approval of the Request as set out in this Written Procedure has been obtained.
- (2) The Issuer shall present evidence that the Intragroup Share Transfers have been duly completed.
- (3) The parties to the MTA shall confirm that the Condition Precedent in item (3) of Section 2.2 above is fulfilled or waived.
- (4) The Issuer and the Co-Borrowers shall present evidence that the secondary ranking (or first ranking where the security is not already pledged to the Agent for and on

- behalf of the Bondholders) pledges over the material Bank Security in favour of the Bank have been registered and/or duly perfected as required under applicable law.
- (5) The Bank shall confirm that all conditions to execute First Closing, including release of the relevant escrow amounts, under the relevant Restructuring Agreements are fulfilled and that First Closing can be executed in full, subject to such conditions being fulfilled. For the avoidance of doubt, the Bank shall not be not obliged to confirm the above in case certain parties fail to comply with the provisions under the Loan Agreement, the Escrow Agreement and the other Restructuring Agreements.
 - (6) ELG and the Co-Borrowers shall present documents issued by the appropriate country registers certifying that the Bank Security that is not material Bank Security is filed for registration in the appropriate country registers, subject to the requirements of the applicable legislation (excluding any private documents which subject to the applicable legislation are not required to be filed/registered in any registers).
 - (7) The parties to the assignment agreement shall execute necessary amendments to the assignment agreement.
 - (8) The Agent shall provide letters to the Bank confirming, *inter alia*, that (i) the Escrow Amount (EUR 21,000,000) will be used to finance the Bond Repayment and (ii) funds (EUR 500,000) will be used to settle transaction costs and fees (including, Agent fees), together with any other letters or documents to be delivered by the Agent to the Bank under the Escrow Agreement.
 - (9) The relevant parties shall present evidence that the title and ownership rights to 30.00 per cent. of the shares in SIA ELG and the SIA ELG Share Pledge (including secondary ranking pledge in favour of the Bank) have been duly transferred and/or registered (as applicable).
 - (10) The Agent shall enter into the voluntary composition agreement (under which the Agent for and on behalf of the Bondholders confirms that the Restructuring and the Write Down are agreed and accepted to avoid the insolvency of the Issuer).
 - (11) The Bondholder Committee shall present evidence that the Agent has released the pledge pursuant to the Issuer Share Pledge, the pledge pursuant to the SIA ELG Share Pledge and the Transaction Security pursuant to the Security Documents (by an irrevocable release letter issued by the Agent) and that it has initiated the de-registrations with the applicable authorities and commercial registers of such security (to the extent applicable).
 - (12) The Issuer shall confirm that up-stream of funds and intra-group transfers of receivables mentioned in item (5)(i) of Section 2.1 above have completed in accordance with the relevant intragroup assignment and loan agreements.
 - (13) The Issuer shall present a letter from the German Bank Loan lender containing relevant payment details as per provisions of the relevant escrow agreement and confirmation from such lender on the assignment of the German Bank Loan.
 - (14) The Issuer shall present a duly signed payment order regarding an account opened with AS "Rietumu Banka" on the basis of which the Bank is irrevocably authorized to transfer EUR 1,500,000 from the mentioned account to the account indicated by the German Bank Loan lender and EUR 500,000 to the SIA ELG subsidiary designated by SIA ELG.
 - (15) The Bank as escrow agent shall release the Escrow Amount to the bank account as designated by the Agent for the Bond Repayment and to cover transaction related costs, respectively, and present evidence of such transfers.
 - (16) The Bank shall present evidence that the escrow arrangement in favour of the German Bank Loan lender has been released and the Issuer shall present evidence that the German Bank Loan has been purchased for EUR 2,000,000 (of which

EUR 500,000 has been paid by a Group Company to the German Bank Loan lender in advance prior to First Closing).

- (17) The Agent shall present an irrevocable undertaking letter from the Agent on funds (EUR 21,000,000) transfer from Gernandt & Danielsson Advokatbyrå KB client account to repay the Bonds in accordance with the MTA and the Terms and Conditions of the Bonds.

2.3.2 First Closing-failure

In the event the First Closing has not taken place as described in Section 2.3.1 above, and this is due to a party's failure to comply with its respective obligations as described above, each other party shall have the right to, by written notice to the other parties:

- (i) set a new date for the First Closing, in which the actions described in Section 2.3.1 above shall apply to the First Closing as so deferred, but provided that such date shall not be later than 15 June 2021 and that such deferral may only occur once; or
- (ii) terminate the MTA, and effectively the Restructuring, with immediate effect.

In the event the MTA is terminated pursuant to the above, all actions completed before the First Closing shall be rescinded and be deemed null and void to the extent possible and the effect of termination described in Section 2.2 (*Conditions precedent for the Restructuring*) above shall apply *mutatis mutandis*. For this purpose, the parties shall do all such further things as may be required to give effect to the aforesaid, including that any Bank Security granted to the Bank shall be fully and completely released and de-registered, any security in favour of the Agent for and on behalf of the Bondholders that has been released shall be reinstated (including the pledge over 100.00 percent of the shares in SIA ELG), the 30.00 percent of the shares in SIA ELG sale and purchase transaction under the SPA shall be cancelled by the Issuer and the Buyer according to the provisions of the SPA and the pledge over such shares in SIA ELG granted by the Buyer to the Agent (on behalf of the Bondholders) under the SIA ELG Share Pledge shall be fully and completely released and de-registered.

2.3.3 Second Closing

For technical reasons, certain steps of the Restructuring shall be carried out at a second closing (the "**Second Closing**"). Provided that First Closing has occurred, Second Closing shall occur as soon as possible following the registration of the release of the pledge over 100.00 per cent. of the shares SIA ELG, including SIA ELG Share Pledge.

At Second Closing, *inter alia*, the following shall occur (all subject to proper fulfilment of all appropriate provisions of the relevant Restructuring Agreements):

- (1) the Bank and Buyer shall release EUR 2,500,000 held in escrow to the Issuer as payment of the purchase price of 30.00 of the shares in SIA ELG in the amount of EUR 2,000,000 according to the SPA and payment of the purchase price 1 for the assignment of claims according to the assignment agreement in the amount of EUR 500,000, and evidence of such payments shall be provided.
- (2) SIA ELG shall pay all outstanding transaction costs and fees for the Restructuring (including any fees and costs of the Agent and its advisors exceeding the EUR 500,000 paid at First Closing as part of the Escrow Amount).
- (3) SIA ELG shall present evidence that the Bank holds first priority pledge over 100.00 per cent. of the shares in SIA ELG and first priority pledge over assets of SIA ELG

and evidence of the absence of any other pledges and/or encumbrances over the shares in SIA ELG and assets of SIA ELG, other than in favour of the Bank.

- (4) The Bank shall present evidence that the arbitration deposit mentioned item (2)(i) of Section 2.1 above has been released.

2.4 Actions post First and Second Closing

The Business Day following First Closing (or as soon as the CSD system and process allows thereafter), the Issuer and the Agent shall procure (i) that the Bond Repayment is made whereby EUR 21,000,000 (less any negative interest charged by the relevant Swedish bank on such amount while being held on the client account administered by Gernandt & Danielsson Advokatbyrå KB in the name of the Agent, and subject to downward rounding as a result thereof) is paid to the Bondholders through the CSD and (ii) that the Write Down is made whereby the remaining nominal amount of EUR 19,000,000 of the Bonds and accrued and unpaid interest are waived, or will be waived the following Business Day, in accordance with a separate voluntary composition agreement. (Bondholders shall note that time-lapses might occur since the release and registration of security may be subject to notices, acknowledgments, registrations and similar as agreed in each relevant security document and the procedure for the Bond Repayment is subject to the rules, regulations and technicalities of the CSD.)

The Agent shall, to the extent required under applicable law, de-register the Transaction Security, the Issuer Share Pledge and the SIA ELG Share Pledge, pursuant to the relevant security documents as soon as possible following First Closing.

All Bank Security that is not material Bank Security shall have been registered and/or duly perfected as required under applicable law as soon as possible following First Closing.

Following receipt of, and subject to, the competition authority approval (as defined in the shareholders' agreement), the Buyer and the Issuer shall cause the amended articles of association of the Group Companies to be registered as further set out in the shareholders' agreement, the Buyer shall pay up to EUR 2,000,000 to the Issuer as assignment part 2 according to the assignment agreement and SIA ELG shall repay EUR 2,000,000 to the Bank as an amortization under the Loan Agreement. If such competition authority approval is not obtained, the Issuer and SIA ELG will partially set-off mutual counterclaims and in the amount of EUR 2,000,000 and certain other claims of the Buyer and the Issuer will be reduced or increased as specified in the respective agreements.

2.5 Warranties and limitation of liability

Each of the parties to the MTA has made certain basic warranties to the other parties as at the date of the MTA and as at First and Second Closing with respect to, *inter alia*, the corporate power, authority and due execution of the MTA. Furthermore, the Buyer and the Bank have warranted that they have and will have sufficient financing available to enable them to complete the transactions pursuant to the relevant Restructuring Agreements. The Bank may not be held liable for any loss arising as a result of or in connection with the MTA in case of breach by the Co-Borrowers or other ELG parties, if such breach gives the Bank the right to request early repayment of the loan under the Loan Agreement and/or to refuse issuing the loan under the Loan Agreement.

In the event of a breach of the warranties or any breach of any covenant, undertaking or indemnity contained in the MTA by a party, the relevant party's right to compensation is

limited to compensation for losses on a EUR for EUR basis due to such breach. Any compensation is subject to an agreement made between the relevant parties or a non-appealable judgement.

For the avoidance of doubt, the Buyer may not (directly or indirectly through the Bank) set-off any claims for losses against or otherwise be compensated for such losses out of the Escrow Amount and the relevant Escrow Amount shall be released to the Bondholders (via the Agent or its advisor and subject to the provisions of the Escrow Agreement) irrespective of any losses suffered by the Buyer directly or indirectly through SIA ELG or any Group Company.

The parties' sole remedies for a breach of the warranties or any breach of any covenant, undertaking or indemnity in the MTA by each of the other parties to the MTA are (i) compensation in accordance with the above paragraph and (ii) seeking specific performance (Sw. *fullgörelse*). Such remedies shall be exclusive and, consequently, no other remedy, including the right to rescind the MTA, shall be available to the parties in the event of a breach of the MTA by the other parties.

Instead of compensating the relevant party in accordance with aforesaid, the other parties shall have the right to remedy (if capable of being remedied) the subject of a claim for compensation, provided that such breach is remedied by the other parties (as applicable) within 30 Business Days after receipt of a notice thereof. The relevant party shall be entitled to compensation in accordance with the aforesaid to the extent the breach has not been remedied.

The Bondholder Committee is only liable to the Buyer and the Bank under the MTA. The maximum liability of each of the members of the Bondholder Committee to the Buyer and the Bank for any breach of the MTA is 50.00 per cent. of the Nominal Amount of the Bonds they represent as of the date of the MTA. The maximum aggregate liability for the Buyer to the other parties under the MTA for any breach of the MTA is 50.00 per cent. of EUR 4,500,000 and the maximum aggregate liability for the Bank to the other parties for any breach of the MTA is 50.00 per cent. of EUR 21,500,000. The Bondholders shall be entitled to any compensation for loss suffered by Helike, Bryum or the Issuer due to the breach of the Bank and/or the Buyer of the MTA and Helike, Bryum and the Issuer shall provide the Agent with any necessary power of attorney to pursue any claim for such compensation against the Bank and/or the Buyer.

None of the limitations described above shall apply to the extent a claim arises or is increased as a result of fraud or wilful misconduct by a party to the MTA.

Each party to the MTA shall be severally and not jointly liable for any of a breach of the warranties or any breach of any covenant, undertaking or indemnity contained in the MTA.

Notwithstanding the aforesaid, the Agent may not be held liable for any loss arising as a result of or in connection with the MTA.

2.6 Results of the Restructuring for the Bondholders

The Bond Repayment will be allocated to the Bondholders *pro rata* to their holding of Bonds on the relevant record date. Consequently, for each Bond held on such record date the

Bondholder will receive (approximately) EUR 52,500⁵ in cash in the Bond Repayment. No other payment will be made to the Bondholders under the Bonds.

When the date of the Bond Repayment and the relevant record date have been determined, information thereof will be sent by notice to the Bondholders and be published on the websites of the Issuer and the Agent. The information will also be published in a press release.

After the Bond Repayment and the Write Down have been completed, the Issuer will have no debt obligations outstanding to the Bondholders, neither in the form of principal nor interest.

Consequently, the Restructuring will result in the Bondholders receiving repayment in an amount which is significantly lower than the Nominal Amount of the Bonds and the accrued and unpaid interest under the Bonds. However, it shall be noted that the Restructuring (including the Write Down) is, in the opinion of the Issuer and the Bondholder Committee, the only viable solution to avoid the insolvency and bankruptcy of the Issuer.

For the avoidance of doubt, subject the approval of the Request as set out in this Written Procedure, the completion of the Bond Repayment, the payment of the Agent's and its advisors' fees and costs and the Write Down shall constitute a due and irrevocable discharge of the Secured Obligations of the Issuer under the Finance Documents.

2.7 Further terms of the Restructuring

Copies of the MTA setting out the principal terms and conditions for the Restructuring can be obtained, by contacting the Agent or Gernandt & Danielsson Advokatbyrå KB (see contact details last in this Notice), subject to providing proof of holding of Bonds.

⁵ The final amount of the Bond Repayment per Bond may be subject downward rounding due to any negative interest charged by the relevant Swedish bank on the EUR 21,000,000, while being held on the client account administered by Gernandt & Danielsson Advokatbyrå KB in the name of the Agent, as described in this Section 2.

3. Risk factors related to the Restructuring

3.1 Tax consequences of the Restructuring

The following summary outlines certain Swedish tax considerations for the Bondholders that may arise as a result of the Restructuring. The tax implications of the Restructuring, including amortisation under the Bonds and the write down of the Bonds, may depend on circumstances such as the classification of the steps involved for tax purposes and each Bondholder's individual tax profile. Bondholders should consult their professional tax adviser regarding the tax treatment of the Restructuring and the tax consequences that may arise in each individual case. Bondholders not tax resident in Sweden should consult their professional tax adviser regarding the foreign tax consequences of the Restructuring, including the applicability and effect of foreign income tax rules, provisions in double tax treaties and other rules which may be applicable.

The summary is based on current Swedish tax legislation and is intended only as a general information. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for Bondholders and is neither intended to be nor should be construed as legal or tax advice. In particular, the summary does not address rules regarding reporting obligations for interest- and other financial payments. Further, specific tax consequences may be applicable to certain categories of corporate taxpayers, e.g. investment companies and life insurance companies. In addition, the summary does not address bonds that are held on an "investment savings account" (Sw. *investeringssparkonto*) or through a "capital insurance" (Sw. *kapitalförsäkring*).

Swedish tax resident individuals

Swedish tax resident individuals (and estates of deceased individuals) are subject to capital taxation on all income derived from their holding of the Bonds (e.g. income on the Bonds deemed as interest for Swedish tax purposes, and capital gains on the Bonds). A sale or redemption of a bond should be reported as a capital gain or capital loss related to the disposal of the bond. A definitive and unconditional voluntary composition (*frivilligt ackord*) should generally also be considered as a disposal for tax purposes. The capital gain or loss is calculated as the difference between the consideration received (sales price or proceeds received as amortisation or repayment of the nominal amount when a bond is redeemed), after deduction of sales costs, and the acquisition cost of the bonds for tax purposes. Compensation for accrued, but not paid interest, should be reported as interest income, and not included in the consideration received when calculating the capital gain or loss. The amount of a consideration received in kind should normally be determined based on the fair market value of the assets received. The acquisition cost is determined according to the "average method". This means that the costs of acquiring the bonds are added together and the average acquisition cost is calculated collectively, with respect to changes of the holding of the bonds. Any capital gain should be fully taxable for Swedish tax purposes and any capital losses should be fully deductible.

Swedish tax resident entities

Swedish tax resident entities, and foreign tax resident entities having a permanent establishment in Sweden to which the Bonds are attributable, are subject to corporate income tax on all income derived from their holding of the Bonds (e.g., income on the Bonds deemed as interest for Swedish tax purposes, and capital gains on the Bonds). The capital gain or loss is calculated as the difference between the consideration received (sales price or proceeds received as amortisation or repayment of the nominal amount when a bond is

redeemed), after deduction of sales costs, and the acquisition cost of the bonds for tax purposes. Compensation for accrued, but not paid interest, constitute interest income for Swedish tax purposes and are not included in the consideration received when calculating the capital gain or loss. Any capital gain should be fully taxable for Swedish tax purposes and any capital losses should be fully deductible.

Other tax resident individuals/entities than Swedish

Non-resident individuals are not subject to Swedish taxation on income derived from their holding of the Bonds or capital gains realised on a sale or redemption of the Bonds.

Non-resident entities which do not have a permanent establishment in Sweden to which the Bonds are attributable, are not subject to Swedish corporate income tax on income derived from their holding of the Bonds or capital gains realised on a sale or redemption of the Bonds.

Repayments on nominal amounts on the Bonds and accrued interest are not subject to withholding tax upon a sale or redemption event.

3.2 Other transaction-related risks

The Restructuring, and the continuity of the Group's operations, involves a number of inherent risks and below is a non-exhaustive list of certain risk factors that should be carefully reviewed by the Bondholders before voting in this Written Procedure. If any of these or other risks or uncertainties actually occurs, it could have a material adverse effect on the income and the financial position of the Issuer and, as a result on the Bondholders' recovery under the Bonds. Bondholders should also be aware that there is a risk that the Bondholders' recovery (if any) will not be higher if the Restructuring is carried out, than it would be in potential bankruptcy or insolvency proceedings.

Financing and liquidity risks

The Group faces significant uncertainty factors relating to the continuity of its operations. The uncertainties are mainly attributable to the Group's financing and liquidity needs. There is a risk that the Group will not be able to meet its financing and/or liquidity needs going forward at all or without significantly increasing its costs therefor, in particular if the Restructuring is not completed. For example, the German Bank Loan (*i.e.*, the bank loan of approximately EUR 4,350,000 issued to a German Group Company) shall, according to an agreement with the lender be purchased for EUR 2,000,000 (of which EUR 500,000 has been paid by a Group Company to the lender in advance prior to First Closing) as part of the Restructuring. If the Restructuring is not completed, the purchase of the German Bank Loan may require financing which may not be obtained, at all or on acceptable terms. If the Group is unable to meet its financing and/or liquidity needs, it would have a material adverse effect on the liquidity, business, financial position and results of operations of the Group and, as a result, on the position of the Bondholders.

Risks related the Restructuring Agreements

The majority of the Restructuring Agreements are entered into between the Bank, the Buyer and the relevant Group Companies, without the Agent or the Bondholder Committee being party to such agreements. The principal terms and conditions for the Restructuring and the parties' obligations are set out in the MTA; however, the detailed terms of the Restructuring are governed by other Restructuring Agreements.

For instance, the detailed terms for the loan granted by the Bank to the Co-Borrowers is governed by the Loan Agreement. Granting the loan by the Bank to Co-Borrowers under the Loan Agreement, as well as exercising of the mutual rights and obligations of the Bank and the Co-Borrowers arising from the Loan Agreement, including governing law and dispute settlement (resolution), termination and/or validity of the Loan Agreement and any other issues that may arise, shall be subject to terms and provisions of the Loan Agreement, and the provisions of the Loan Agreement prevail.

In addition to the Conditions Precedent for the Restructuring, which are set out in the MTA, it shall be noted that the other Restructuring Agreements, in particular the Loan Agreement and the Escrow Agreement which are based on the Bank's template loan and escrow account maintenance agreement, contain detailed conditions for the loan and the escrow arrangement, which if not satisfied by the relevant Group Companies could also be ground for termination and/or entitle the Bank to refuse issuing the loan under the Loan Agreement or otherwise act in a way which inhibits the completion of the Restructuring. Consequently, there is a risk that critical steps of the Restructuring, such as the provision of the loan under the Loan Agreement and/or the release of the Escrow Amount under the Escrow Agreement, cannot be carried out as planned. Furthermore, the execution of First Closing depends on proceeding certain actions and fulfilment of obligations by certain parties, thus, the Bank is not obliged to confirm that First Closing may take place in case of certain parties fail to comply with the provisions of, *inter alia*, the Loan Agreement and the Escrow Agreement. The fulfilment of such conditions by the relevant parties and any action or omission to act by the Bank due a breach thereof, is outside the Agent's and the Bondholder Committee's control and could effectively constitute conditions precedent for completion of the entire Restructuring.

Similarly, the detailed terms for the sale and purchase of 30.00 per cent. of the shares in SIA ELG, as well as the assignment of the Issuer's claims towards SIA ELG in favour the Buyer are governed by the SPA and the assignment agreement, respectively, which may contain provisions that adversely affect the success of the Restructuring.

In conclusion, the completion of the Restructuring is subject to certain Restructuring Agreements to which the Agent and the Bondholder Committee are not part and which they have limited or no influence over. If any provisions, conditions and obligations therein are not met by the relevant parties, it may have a material negative effect on the Restructuring and the Bondholders' recovery under the Bonds.

Risks related to a rescinding of the Restructuring

In the event the MTA is terminated prior to the completion of the Restructuring due to the Conditions Precedent not being fulfilled, or if the Restructuring cannot be completed due to other conditions of the Restructuring Agreements not being fulfilled (as further described above), all other Restructuring Agreements shall terminate and the transactions under the respective Restructuring Agreement shall be rescinded and funds released as further set out in the respective Restructuring Agreement. In such case, all actions completed before First Closing shall be rescinded and be deemed null and void to the extent possible and the effect of termination described in Section 2.2 (*Conditions precedent for the Restructuring*) above shall apply *mutatis mutandis*. For this purpose, the parties shall do all such further things as may be required to give effect to the aforesaid, including that any Bank Security granted to the Bank shall be fully and completely released and de-registered, any security in favour of the Agent for and on behalf of the Bondholders that has been released shall be reinstated (including the pledge over 100.00 percent of the shares in SIA ELG), the 30.00 percent of

the shares in SIA ELG sale and purchase transaction under the SPA shall be cancelled by the Issuer and the Buyer according to the provisions of the SPA and the pledge over such shares in SIA ELG granted by the Buyer to the Agent (on behalf of the Bondholders) under the SIA ELG Share Pledge shall be fully and completely released and de-registered.

However, such rescinding would be associated with significant risks and uncertainties and be subject to the laws of a number of jurisdictions. It may also be difficult, costly and/or time-consuming to perform or enforce any such rescinding measures. A rescinding of the Restructuring will obviously have a material negative effect on the Restructuring and may also adversely affect the Bondholders' recovery under the Bonds.

Risks related to Transaction Security

Although the obligations under the Bonds are secured by the Transaction Security, in case the Restructuring is not completed and Agent decides to accelerate the Bonds, there is a risk that the proceeds of any enforcement sale of the security assets or enforcement of pledges will not be sufficient to satisfy all amounts then owed to the Bondholders and the Agent or the amounts then due in respect of the Bonds.

There is also a risk that measures taken with respect to the Transaction Security in connection with the Restructuring, such the registration of second ranking pledges in favour of the Bank and the SIA ELG Share Pledge may the delay and/or adversely affect an enforcement of the Transaction Security.

The Bondholders and the Agent will be represented by the Agent in all matters relating to the Transaction Security, including the Issuer Share Pledge and the SIA ELG Share Pledge. 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 such security, whereby there is a risk that the Bondholders and the Agent do not fully, or at all, benefit from the security.

Other than the aforementioned security, the Bonds represent unsecured obligations of the Issuer and in the event of bankruptcy, reorganisation or winding-up of the Issuer, the Bondholders may receive payment after any priority creditors have been paid in full.

Risks related to multiple jurisdictions and governing law

The Restructuring Agreements are governed by Swedish or Latvian law and the security documents governing the Transaction Security and the Bank Security are governed by Swedish, Latvian, German, Hungarian, Russian, French or Belarussian law. In the event of dispute or rescinding of the Restructuring or bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions. The rights of the Bondholders will thus be subject to the laws of a number of jurisdictions, and it may be difficult to enforce such rights. Moreover, such multi-jurisdictional proceedings are typically complex and costly for creditors' rights. In addition, the laws of these jurisdictions may be materially different from, or in conflict with, one another, including creditor's rights, priority of creditors, the ability to obtain post-petition interest and the duration of the insolvency proceeding. The application of these various laws in multiple jurisdictions could trigger disputes over which jurisdictions' law should apply and could adversely affect the ability to realise any recovery under the Bonds.

No due diligence has been conducted on behalf of the Bondholders prior to the Restructuring

No due diligence of the Group has been carried out on behalf of the Bondholders prior to the Restructuring. Consequently, there is a risk that issues relevant for the Restructuring have not been identified and therefore, there is a risk that such unknown issues of any type or nature could adversely affect the business of the operating subsidiaries of the Group and thereby the prospects, income and financial position of the Issuer and, as a result, could adversely affect the position of the Bondholders.

Appointment and authorisations

The authorization of the Agent and the Bondholder Committee will result in the Agent and the Bondholder Committee having a wide mandate to take decisions, which will be binding upon all Bondholders. Consequently, the actions of the Agent and the Bondholder Committee could impact a Bondholder's rights in a manner that could be undesirable for some Bondholders.

Risks related to the Bondholders' recovery under the Bonds

The Restructuring, including the Bond Repayment and the Write Down, will result in the Bondholders receiving repayment in an amount which is significantly lower than the nominal amount of the Bonds and the accrued and unpaid interest under the Bonds. Hence, the Restructuring will result in the Bondholders' recovery under the Bonds being significantly lower than expected when the initial investment was made.

Tax risk

The tax treatment of the Restructuring under the tax legislation of the Bondholder's member state and of the Issuer's country of incorporation may impact the income received from the investment in the Bonds.

4. Request

The Bondholders are hereby requested to approve the requests set forth in Sections 4.1 (*Approval of the Request*), 4.2 (*Waiver of Events of Defaults*) and 4.3 (*Authorisation of the Agent and the Bondholder Committee*) below (the “**Request**”).

4.1 Approval of the Request

The Bondholders are hereby requested to approve that the Restructuring (as described in Section 2 (*The Restructuring*) above), and all actions necessary in connection therewith, is carried out and completed, essentially as described in this Notice, including, but not limited to, the transfer of 30.00 per cent. of the shares in SIA ELG to the Buyer, the registration of second ranking (or first ranking, where the security is not already pledged to the Agent for and on behalf of the Bondholders) pledges in favour of the Bank over the relevant Bank Security, the release of Transaction Security, including the Issuer Share Pledge and the SIA ELG Share Pledge, the Bond Repayment and the Write Down.

For the avoidance of doubt, this also includes that the Bondholders are requested to waive any breach of the Terms and Conditions for the Bonds, occurring during the Lock-up Period as a result of the Restructuring.

4.2 Waiver of Events of Default

The Bondholders’ approval of the Request shall constitute a required waiver in relation to any and all Events of Default or any breach of the Issuer’s obligations under the Terms and Conditions, which have occurred in the past and are continuing, including but not limited to the non-payment of interest and breach of financial covenants set out in the Standstill Letter, or which could otherwise occur up to or due to the implementation of the Request and/or the Restructuring.

The Bondholders’ approval of the Request shall also constitute a required waiver in relation to the requirement in Clause 11.1(a)(i) of the Terms and Conditions to make the annual audited consolidated financial statements available on the website of the Group within 4 months after the end of the financial year 2020.

4.3 Authorisation of the Agent and the Bondholder Committee

The Bondholders are hereby requested to approve:

- (1) that the Agent is irrevocably, unconditionally and exclusively fully authorised on behalf of the Bondholders (as applicable):
 - a. to agree to the release of Transaction Security, including the Issuer Share Pledge and the SIA ELG Share Pledge, in accordance with this Notice or otherwise as required to complete the Restructuring;
 - b. to agree to the transfer of 30.00 per cent. of the shares in SIA ELG to the Buyer;
 - c. to agree to the registration of second ranking (or first ranking, where the security is not already pledged to the Agent for and on behalf of the Bondholders) pledges in favour of the Bank over the relevant Bank Security;
 - d. to agree to write down the claims under the Bonds against the Issuer in an amount equal to the remaining outstanding Nominal Amount of the Bonds of EUR 19,000,000 after the Bond Repayment and any accrued and unpaid interest under the Bonds and enter into a voluntary composition agreement (on behalf of the Bondholders) regarding the Write Down;

- e. to take any action with respect to the Bondholders' or their nominees' accounts with the CSD to execute the Restructuring, including but not limited to giving instructions to write down and/or reduce the nominal amount of the Bonds in accordance with this Notice (as applicable);
 - f. to take any further actions that are deemed necessary and relevant in relation to the above or to complete the Restructuring or the Altered Restructuring (as defined below), as the case may be (in the sole discretion of the Agent), including but not limited to entering into all documents (including, but not limited to, agreements, undertaking letters and release letters) related to the Bonds and any other documents relevant for the Restructuring or the Altered Restructuring for and on behalf of the Bondholders, including to issue any consent (on behalf of the Bondholders) required to be issued to the Bank or the Buyer under the Restructuring Agreements; and
 - g. to issue the relevant written confirmations to the Bank in accordance with the Restructuring Agreements (including, but not limited to, a confirmation that the approval of the Request as set out in this Written Procedure has been obtained).
- (2) that the Agent, until the expiry of the Lock-up Period is irrevocably, is unconditionally and exclusively fully authorised on behalf of the Bondholders, upon the written instruction of the Bondholder Committee:
- a. to alter the Restructuring, including but not limited to changing the terms and conditions of, or the structure for, the Restructuring, as long as the results of such altered Restructuring is mainly the same as the result of the contemplated Restructuring as described in this Notice (the "**Altered Restructuring**"); and
 - b. to take any and all other decisions and/or actions, with binding effect on all of the Bondholders, that are deemed necessary and relevant in order to complete the Restructuring or the Altered Restructuring, as the case may be;
- (3) that the terms and the conditions of the MTA as described in this Notice is approved and ratified and that the Bondholder Committee is duly authorised to represent each Bondholder in connection with the MTA;
- (4) that the Agent and each member of the Bondholder Committee, (i) with respect to the actions taken prior to this Notice with respect to the Restructuring as set out in this Notice and (ii) when acting in accordance with the authorisation instructions set out in this Notice, are fully discharged from any liability whatsoever, provided that the Agent or the members of the Bondholder Committee, as the case may be, have not acted with gross negligence or wilful misconduct, and that the Agent and the Bondholder Committee shall never be responsible for indirect loss.

4.4 Non-reliance by the Agent

The Request is presented to the Bondholders, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Request (and their effects, should they be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Request (and their effects, should they be adopted). The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Request (and their effects) are acceptable or not.

5. Effective Dates

The Request shall be deemed approved and effective immediately upon expiry of the voting period and receipt of the required majority as set forth in Section 6.6 (*Majority*) or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent. The actions of the approved Request shall be effective at the same time unless otherwise stated in this Notice. In addition, the Issuer and the Agent may agree to take any other action deemed required in order to implement the Request.

6. Written Procedure

The following instructions need to be adhered to under the Written Procedure.

6.1 Final date to participate in the Written Procedure

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 12.00 a.m. (Stockholm time) on 11 May 2021. Votes received thereafter may be disregarded.

6.2 Decision procedure

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken under the Written Procedure will be sent by notice to the Bondholders and be published on the websites of the Issuer and the Agent. The information will also be published in a press release.

Any matter decided under the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

6.3 Voting rights and authorisation

Anyone who wishes to participate in the Written Procedure must, on the Record Date 27 April 2021, be registered in the Issuer's debt register as:

- i. a direct registered owner of a Securities Account; or
- ii. a nominee in a Securities Account, with respect to one or several Bonds.

6.4 Bonds registered with a nominee

If you are not registered as a direct registered owner, but your Bonds are held through a registered nominee or another intermediary, you may have two different options to influence the voting for the Bonds.

- (1) You can ask the nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you.
- (2) You can obtain a Power of Attorney (Schedule 2) from the authorized nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as Bondholder of the Securities Account, or from each intermediary in the chain of holders, starting

with the intermediary that is registered in the debt register as a Bondholder of the Securities Account as authorized nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate. Bonds owned by the Issuer, another Group Company or an Affiliate do not entitle to any voting rights.

6.5 Quorum

To approve the Request, Bondholders representing at least fifty (50.00) per cent of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Bondholder Committee. No quorum requirement will apply to such second Written Procedure.

6.6 Majority

In order for the Requests to be approved, at least sixty-six and two-thirds (66 2/3) per cent. of the Adjusted Nominal Amount for which Holders reply in the Written Procedure must consent to the Request.

6.7 Address for sending replies

Return the Voting Form, in the form set out in Schedule 1, and, if applicable, the Power of Attorney, in the form set out in Schedule 2, or other sufficient evidence, if the Bonds are held in custody other than Euroclear Sweden, by regular mail, scanned copy by e-mail, or by courier to:

By regular mail:

Intertrust (Sweden) AB
Attn: Beatrice Gustafsson
P.O. Box 16285
SE-103 25 Stockholm

By courier:

Intertrust (Sweden) AB
Attn: Beatrice Gustafsson
Sveavägen 9, 10th floor
SE-111 57 Stockholm

By email:

E-mail: trustee@intertrustgroup.com

6.8 Further information

For questions regarding the administration of the Written Procedure, please contact the Agent at trustee@intertrustgroup.com or +46 70 141 10 82.

For questions regarding the Restructuring and the Request, please contact the Issuer at diana.suprunovica@elg-corporate.com or +371 2839 1256.

For further questions regarding the Restructuring and the Request and for receipt of the MTA, please contact Gernandt & Danielsson Advokatbyrå KB at adrian.palstam@gda.se or +46 8 670 64 58.

Stockholm 15 April 2021

Intertrust (Sweden) AB

as Agent

Enclosed:

Schedule 1	Voting Form
Schedule 2	Power of Attorney/Authorisation

SCHEDULE 1**VOTING FORM**

For the Written Procedure initiated on 15 April 2021 for the up to EUR 60,000,000 senior secured floating rate bonds 2018/2021 with ISIN SE0010831792 (the "Bonds") issued by European Lingerie Group AB (publ) (the "Issuer").

The Issuer requests the Bondholder to approve the Request set out in the notice for the Written Procedure.

The Agent is hereby empowered to enter into all necessary documentation required to implement the Request, in the event the Request is approved.

Reply

Name of person/entity voting: _____

Nominal Amount voted for: _____

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

A) Approve **B) Reject** **C) Refrain from voting**

with respect to the Request.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to paragraph (i) of Clause 16 (*Decisions by Bondholders*) of the Terms and Conditions with respect to the Request:

Confirmed **Not confirmed**

Signature

Name in print:

Contact information

Email:

Tel:

NOTE: Please attach a power of attorney/authorisation if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorised nominee. The voting form shall be signed by an authorised signatory. A certified copy of a registration certificate or a corresponding authorisation document for the legal entity shall be appended to the voting form for any legal entity voting. The registration certificate, where applicable, may not be older than one year.

SCHEDULE 2**POWER OF ATTORNEY/AUTHORISATION**

For the Written Procedure initiated on 15 April 2021 for the up to EUR 60,000,000 senior secured floating rate bonds 2018/2021 with ISIN SE0010831792 (the "Bonds") issued by European Lingerie Group AB (publ) (the "Issuer").

Authorised Person²: _____

Nominal Amount³: _____

Grantor of authority⁴: _____

We hereby confirm that the Authorised Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of⁵: _____

We are (put a cross in the appropriate box):

Registered as authorised nominee on a Securities Account

Registered as direct registered owner on a Securities Account

Other intermediary and hold the Bonds through⁶ _____

Date:

Signature

² Insert the name of the person/entity that should be authorised to vote.

³ Insert the aggregate nominal amount the Authorised Person should be able to vote for.

⁴ Insert the name of entity/person confirming the authority.

⁵ The total Nominal Amount the undersigned represents.

⁶ Mark this option if the undersigned is not registered as authorised nominee or direct registered owner in the Securities Account kept by Euroclear. Please insert the name of the firm the undersigned holds the Bonds through.