



Securities Note

for

ISIN NO0011130148

**REDERIAKTIEBOLAGET ECKERÖ FRN Senior Secured EUR
62,000,000 2021/2026**

Joint Lead Managers:

Nordea **Handelsbanken**

Oslo, 18 July 2022

Important information*

The Securities Note has been prepared in connection with listing of the Bonds at Oslo Børs. The Securities Note has been approved by the Financial Supervisory Authority of Norway (the "Norwegian FSA"), as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Securities Note.

New information that is significant for the Issuer or its subsidiaries may be disclosed after the Securities Note has been made public, but prior to listing of the Loan. Such information will be published as a supplement to the Securities Note pursuant to Regulation (EU) 2017/1129. On no account must the publication or the disclosure of the Securities Note give the impression that the information herein is complete or correct on a given date after the date on the Securities Note, or that the business activities of the Issuer or its subsidiaries may not have been changed.

MIFID II product governance / Professional investors and eligible counterparties (ECPs) only target market

Solely for the purposes of each manufacturers' product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended) (MiFID II); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a distributor) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and eligible counterparties (ECPs) only target market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (UK MiFIR); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a distributor) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the UK MiFIR Product Governance Rules) is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Only the Issuer and the Joint Lead Managers are entitled to procure information about conditions described in the Securities Note. Information procured by any other person is of no relevance in relation to the Securities Note and cannot be relied on.

Unless otherwise stated, the Securities Note is subject to Norwegian law. In the event of any dispute regarding the Securities Note, Norwegian law will apply.

In certain jurisdictions, the distribution of the Securities Note with Summary may be limited by law, for example in the United States of America or in the United Kingdom. Approval of the Securities Note with Summary by the Norwegian FSA implies that the Note may be used in any EEA country or in the United Kingdom (the "UK"). No other measures have been taken to obtain authorisation to distribute the Securities Note with Summary in any jurisdiction where such action is required. Persons that receive the Securities Note with Summary are ordered by the Issuer and the Joint Lead Managers to obtain information on and comply with such restrictions.

This Securities Note is not an offer to sell or a request to buy bonds.

The Securities Note included Summary together with the Registration Document dated 18 July 2022 constitute the Prospectus.

The content of the Securities Note does not constitute legal, financial or tax advice and bond owners should seek legal, financial and/or tax advice.

Please contact the Issuer or the Joint Lead Managers to receive copies of the Securities Note.

Factors which are material for the purpose of assessing the market risks associated with Bonds:

The Bonds may not be a suitable investment for all investors. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

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- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Securities Note and/or Registration Document or any applicable supplement;
 - (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
 - (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
 - (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of the financial markets; and
 - (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Modification and Waivers

The conditions of the Bonds contain provisions for calling meetings of bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all bondholders including bondholders who did not attend and vote at the relevant meeting and bondholders who voted in a manner contrary to the majority.

Please see the Bond Terms for the Bond Trustee's power to represent the Bondholders and the duties and authority of the Bond Trustee.

*The capitalised words in the section "Important Information" are defined further below in Chapter 3 "Detailed information about the securities".

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1 Summary

Summaries are made up of disclosure requirements due to Article 7 in the REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 June 2017.

A Introduction and warning

Disclosure requirement	Disclosure
Warning.	This summary should be read as introduction to the Prospectus. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.
Name and international securities identification number ('ISIN') of the securities.	ISIN NO0011130148 Rederiaktiebolaget Eckerö FRN Senior Secured EUR 62,000,000 Bonds 2021/2026.
Identity and contact details of the Issuer, including its legal entity identifier ('LEI').	Rederiaktiebolaget Eckerö, Torggatan 2, AX-22101 Mariehamn, Åland, Finland. incorporated under the laws of Finland with business identity code 0280703-5 and LEI-code 743700KI643QW12FW019.
Identity and contact details of the offeror or of the person asking for admission to trading on a regulated market.	Not applicable. There is no offeror, the Prospectus has been produced in connection with listing of the securities on the Oslo Børs. The Issuer is going to ask for admission to trading on a regulated market.
Identity and contact details of the competent authority that approved the Prospectus	Financial Supervisory Authority of Norway (Finanstilsynet), Revierstredet 3, 0151 Oslo. Telephone number is +47 22 83 39 50. E-mail: prospekter@finanstilsynet.no.
Date of approval of the Prospectus.	The Prospectus was approved on 18 July 2022.

B Key information on the Issuer

Disclosure requirement	Disclosure
<i>Who is the issuer of the securities</i>	
Domicile and legal form	The company is domiciled and incorporated in Finland and registered under the laws of Finland with business identity code 0280703-5 and LEI-code 743700KI643QW12FW019.
Principal activities	Rederiaktiebolaget Eckerö is a leading ferry operator in the Baltic Sea, headquartered in Mariehamn, Åland, Finland, with 700 employees (counted as average number of full-time equivalents as of 31 December 2021). The Issuer and its subsidiaries have seven vessels. Three of these are ropax vessels employed on the Group's own routes, servicing the two EU capitals Helsinki and Tallinn, as well as the Grisslehamn and Eckerö route. Three of the Group's vessels are roro ships, which are chartered out according to tonnage provider business principles to international manufacturing corporations and route operators. The Group also has one cruise vessel, which is not in use and currently for sale. Moreover, the company owns two harbors and operated 165,567 cargo units on its own routes (as of 31 December 2021).
Major shareholders	

The 20 largest shareholders as of 31 December 2021:			
	Owner	Number of shares	% of total
1.	Rederi Ab Skärgårdstrafik	228.835	11,41
2.	Mansén Linnea	169.967	8,47
3.	Baltic Group Ab	71.480	3,56
4.	Mansén Hans	55.706	2,78
5.	W.J. Dahlman Ab	51.564	2,57
6.	Karlsson Malena	49.806	2,48
7.	Mansen-Hillar Marika	47.806	2,38
8.	Ab Notberg	43.799	2,18
9.	Fyrvall-Ahtola Ann-Marie	30.000	1,50
10.	Alandia Försäkring Abp	28.440	1,42
11.	Sjöblom Nils	26.000	1,30
12.	Eriksson Marika	23.500	1,17
13.	Eriksson Patrik	23.500	1,17
14.	Erihold Oy Ab	21.200	1,06
15.	Eriksson Stefan	20.000	1,00
16.	Rosenqvist Gun	19.084	0,95
17.	Dahlman Johan	15.993	0,80
18.	Ekblom Bengt	15.000	0,75
19.	OY M J Wahlström Partners Ab	15.000	0,75
20.	Carlsson Sven-Eric	14.703	0,73

Management	Name	Position
	Björn Blomqvist	Chief Executive Officer
	Bo-Gustav Donning	Director of Ship Operations
	New CFO appointed, starting on 1 August 2022	Chief Financial Officer
	Lars-Erik Karlsson	Human Resources Director
	Robin Weiss	IT and systems director
	Tomas Karlsson	Managing Director Eckerö Linjen Ab
	Jari Sorvettula	Managing Director Eckerö Shipping Ab Ltd
	Taru Keronen	Managing Director Eckerö Line Ab Oy

Statutory auditors	BDO Finland, Independent authorized public accountants
<i>What is the key financial information regarding the Issuer</i>	
Key financial information	

Rederiaktiebolaget Eckerö Group Consolidated				
Amount in tEUR	Q4 update 2021 Unaudited	Q1 update 2022 Unaudited	2021 Audited	2020 Audited
Operating result	(5,400)	(5,557)	(38,128)	(29,929)
Net financial debt (long term debt plus short term debt minus cash)	78,500	82,800	78,462	93,157
Net Cash flows from operating activities	N/A	(4,110)	5,598	(9,703)
Net Cash flows from financing activities	N/A	1,405	(22,785)	12,060
Net Cash flow from investing activities	N/A	(230)	12,390	(21,606)

Rederiaktiebolaget Eckerö Parent				
Amount in tEUR	Q4 update 2021 Unaudited	Q1 update 2022 Unaudited	2021 (FY) Audited	2020 (FY) Audited
Operating result	N/A	N/A	(40,839)	(19,070)
Net financial debt (long term debt plus short term debt minus cash)	N/A	N/A	71,397	74,354
Net Cash flows from operating activities	N/A	N/A	(10,468)	5,266
Net Cash flows from financing activities	N/A	N/A	(7,986)	6,993
Net Cash flow from investing activities	N/A	N/A	13,765	(31,541)
There is no description of any qualifications in the audit report in Annual Report 2020 or 2021.				
<i>What is the key risk factors that are specific to the Issuer</i>				
Most material key risk factors	<ul style="list-style-type: none"> The Group faces competition from existing and possibly from future providers of passenger transport and cargo shipping, as well as travel alternatives. If the Group fails to meet the competition this can affect the business, earnings and financial conditions. The Group is dependent on the availability of its fleet and operational problems with its vessels may reduce revenue and increase costs Outbreaks of epidemic and pandemic diseases, including COVID-19, and governmental responses thereto could adversely affect the Group's business. The Group is subject to complex laws and regulations, including environmental regulations that can adversely affect the cost, manner or feasibility of doing business. The Group is subject to certain risks with respect to its counterparties on contracts, and failure of such counterparties to meet their obligations could cause the Group's to suffer losses or otherwise adversely affect the Group's business. Risk related to fluctuations in bunker prices. An increase of the bunker prices by 10% is estimated to decrease the Group's result by EUR 1.9 million. 			

C Key information on the securities

Disclosure requirements	Disclosure
<i>What are the main features of the securities</i>	
Description of the securities, including ISIN code.	<p>ISIN NO0011130148 Rederiaktiebolaget Eckerö FRN Senior Secured EUR 62,000,000 Bonds 2021/2026. Issue date 28 October 2021. Maturity Date: 28 October 2026.</p> <p>Floating interest rate, payable 28 January, 28 April, 28 June and 28 October in each year subject to adjustment in accordance with the Business Day Convention. Coupon Rate is Reference Rate + Margin, where Reference Rate means 3 months EURIBOR and Margin (7.00 % per annum). Issue amount EUR 62,000,000.</p> <p>Issuer has special redemption call upon the disposal of a vessel other than any of the Security Vessels, to partially redeem parts of the Outstanding Bonds with an aggregate Nominal Amount not exceeding EUR 10,000,000, at a price equal to 103% of the Nominal Amount</p> <p>Nordic Trustee AS (as the Bond Trustee) has entered into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms.</p>
Description of the rights attached to the securities, limitations to	Special redemption call

those rights and ranking of the securities.	Prior to the First Call Date, the Issuer will have a right (Special Redemption Call Option), at one occasion, upon the disposal of a vessel, other than any of the Security Vessels, to partially redeem parts of the Outstanding Bonds with an aggregate Nominal Amount not exceeding EUR 10,000,000, at a price equal to 103% of the Nominal Amount during a period of 15 Business Days following the notice of a disposal of such vessel. The Special Redemption Call Option repayment date will be the fifth Business Day after the end of the 15 Business Days exercise period.
Status of the bonds and transaction security.	The Bonds will constitute senior debt obligations of the Issuer. The Bonds shall be secured on a first priority basis by the Transaction Security. The Bonds will rank at least pari passu with each other and with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application). The Bonds are Secured.
Any restrictions on the free transferability of the securities.	The Bonds are freely transferable and may be pledged, subject to the following: Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense. Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
<i>Where will the securities be traded</i>	
Indication as to whether the securities offered are or will be the object of an application for admission to trading.	An application for admission to trading on the Oslo Børs will be made once the Prospectus has been approved. The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 12 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.
<i>Is there a guarantee attached to the securities?</i>	The Bonds are secured in the security vessels Eckerö (IMO 7633155) and Finlandia (IMO 9214379) but there is no guarantors attached to the securities.
<i>What are the key risks that are specific to the securities</i>	
Most material key risks	The Bonds may not be a suitable investment for all investors; <ul style="list-style-type: none"> • Risk of being unable to repay the Bonds. • The Bonds are structurally subordinated to liabilities of the Issuer's subsidiaries • Value of secured assets may not be sufficient to cover all the outstanding bonds together with accrued interest and expenses in case of a default • Risks related to the market for the Bonds.

D Key information on the admission to trading on a regulated market

Disclosure requirements	Disclosure
Under which conditions and	The Bonds were initially offered to professional, certain non-professional and eligible investors prior to the Issue date. The Bonds are freely negotiable, however certain purchase or selling restrictions

<p>timetable can I invest in this security?</p>	<p>may apply to Bondholders under applicable local laws and regulations from time to time. There is no market-making agreement entered into in connection with the Bond Issue.</p> <hr/> <p>The estimate of total expenses related to the Bond Issue are as follow:</p> <table border="1" data-bbox="528 427 1174 584"> <thead> <tr> <th>External party</th> <th>Cost</th> </tr> </thead> <tbody> <tr> <td>The Norwegian FSA</td> <td>NOK 104,000</td> </tr> <tr> <td>Legal fees</td> <td>NOK 775,924</td> </tr> <tr> <td>The Lead Managers</td> <td>EUR 1,364,000</td> </tr> <tr> <td>Total</td> <td>EUR 1,450,000</td> </tr> </tbody> </table> <hr/> <p>Admission to trading on a regulated market will take place as soon as possible after this Securities Note has been approved by the Norwegian FSA.</p>	External party	Cost	The Norwegian FSA	NOK 104,000	Legal fees	NOK 775,924	The Lead Managers	EUR 1,364,000	Total	EUR 1,450,000
External party	Cost										
The Norwegian FSA	NOK 104,000										
Legal fees	NOK 775,924										
The Lead Managers	EUR 1,364,000										
Total	EUR 1,450,000										
<p>Why is the Prospectus being produced?</p>	<p>In connection with listing of the securities on the Oslo Børs.</p>										
<p>Reasons for the admission to trading on a regulated market and use of proceeds.</p>	<p><i>Use of proceeds</i> The Issuer intends to use the net proceeds from the Issue as follows:</p> <ul style="list-style-type: none"> • EUR 62 million for refinancing existing indebtedness and general corporate purposes of the group. <p>Estimated net amount of the proceeds is approximately: EUR [60.550] million.</p>										
<p>Underwriting agreement</p>	<p>Not applicable. The Prospectus has been produced in connection with listing of the securities on the Oslo Børs and not in connection with an offer.</p>										
<p>Description of material conflicts of interest to the issue including conflicting interests.</p>	<p>The involved persons in the Issue have no interest, nor conflicting interests that are material to the Bond Issue.</p> <p>Nordea Bank Abp, Norwegian Branch and Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ), Oslo Branch, the Joint Lead Managers, have assisted the Company in preparing the Prospectus. The Joint Lead Managers and/or affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in the Prospectus and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance department may act as manager for this Company in private and/or public placement and/or resale not publicly available or commonly known.</p>										

2 Risk factors

Investing in the Bonds issued by the Issuer involves inherent risks. Prospective investors should consider, among other things, the risk factors set out in the Prospectus, including those related to the Issuer as set out in the Registration Document, before making an investment decision. The risks and uncertainties described in the Prospectus, including those set out in the Registration Document, are risks of which the Issuer is aware and that the Issuer considers to be material to its business. If any of these risks were to occur, the Issuer's business, financial position, operating results or cash flows could be materially adversely affected, and the Issuer could be unable to pay interest, principal or other amounts on or in connection with the Bonds. Prospective investors should also read the detailed information set out in the Registration Document dated 18 July 2022 and reach their own views prior to making any investment decision. The risk factors set out in the Registration Document and the Securities Note cover the Company and the Bonds issued by the Company, respectively.

In each category below, the Issuer sets out the most material risk, in the Issuer's assessment, taking into the negative impact of such risk on the Issuer and the Bonds and the probability of its occurrence. If any of the following risk were to materialize, either individually, cumulatively or together with other circumstances, it could have a material adverse effect on the Company's business, results of operations, cash flows, financial conditions and/or prospects, which may cause a decline in the value of the Bonds and a loss of part or all of your investment.

2.1 Risks related to the bonds

Interest rate risk

The interest rate or coupon of this instrument will most likely consist of two elements: a) 3 month EURIBOR and b) the Margin. The risk is associated with the variability of the sum of these two components. The Margin is fixed at issuance of the bonds and will not represent a risk for an investor as regards the interest income from the bonds. 3 month EURIBOR is a reference rate for pricing of 3 month liquidity in the market and will vary over time. The coupon is reset quarterly based on actual 3 month EURIBOR plus Margin. This means the risk to interest income from the bonds is associated with the changes in EURIBOR. When trading this instrument, the investor is exposed to the risk of changes in market changes in 3 month EURIBOR as well as changes in market changes to the margin investors are willing to trade the bonds. These changes will affect the price of the bonds

Interest rates and indices which are deemed to be "benchmarks", (including EURIBOR) are subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any securities linked to or referencing such a "benchmark". The Benchmarks Regulation could have a material impact on any Bonds linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

Value of secured assets

Although vessel mortgages and certain other security will be provided for the Bonds, there can be no assurance that the value of the security assets will be sufficient to cover all the outstanding Bonds together with accrued interest and expenses in case of a default and/or if the Issuer or other members of the Group enter into bankruptcy proceedings. A liquidation scenario may also make it difficult to obtain full market value for the secured assets, which may leave bondholders impaired.

The Bonds are structurally subordinated to liabilities of the Issuer's subsidiaries

Generally, claims of creditors of the Issuer's subsidiaries, including trade creditors, and creditors holding indebtedness, will have priority, with respect to the assets and earnings of the subsidiary, over the claims of creditors of the Issuer. Consequently, the claims of creditors of the subsidiaries will be entitled to payments of their claims from the assets of such subsidiaries before these assets are made available for distribution to the Issuer, as a direct or indirect shareholder, in each case to the extent the Issuer's obligations are not guaranteed by the relevant entity. Accordingly, absent a guarantee, the Bonds will be structurally subordinated to all such creditors' claims against such subsidiaries and in an enforcement scenario, such creditors will generally be entitled to payment in full from the sale or other disposal

of the assets of such subsidiaries before the Issuer, as a direct or indirect shareholder, will be entitled to receive any distributions.

Risk of being unable to repay the Bonds

During the lifetime of the Bonds, the Group will be required to make payments on the Bonds. The Issuer is dependent upon its and its subsidiaries' ability to generate cash flow from operations and to make distributions to the Issuer in order for the Issuer to make scheduled payments on the indebtedness, including the Bonds.

The future financial performance of the Group will be affected by a range of economic, competitive, governmental, operating and other business factors, many of which cannot be controlled, such as general economic and financial conditions in the business or the economy at large. A significant reduction in operating cash flows resulting from changes in economic conditions, increased competition or other events could increase the need for additional or alternative sources of liquidity and could have a material adverse effect on the business, financial condition or results of operations, as well as the Group's ability to service its debt, including the Bonds, and other obligations.

If the Group is unable to service its indebtedness, it will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing indebtedness or seeking equity capital. The Group cannot assure investors that any of these alternative strategies could be effected on satisfactory terms, if at all, or that they would yield sufficient funds to make required payments on the Bonds and the Issuer's other indebtedness. In addition, any failure to make scheduled payments of interest and principal on outstanding indebtedness is likely to result in a reduction of credit rating, which could harm the ability to incur additional indebtedness on acceptable terms.

2.2 Risks related to the market of bonds

There is a risk that the value of the Bonds may decrease due to changes in relevant market risk factors. The price of a single bond issue will, generally, fluctuate due to general developments in the financial market, as well as, specifically, investor interest in (and, thus, the liquidity of) the Bonds. Accordingly, there is a risk that the value of the Bonds may decrease in spite of an underlying positive development in the Issuer's business activities.

The Group has not entered into any market-making scheme to ensure liquidity of the Bonds. A liquid trading market for the Bonds may not develop or be maintained and investors may not be able to sell the Bonds quickly or at a favourable price. If an active market does not develop or is not maintained, the price and liquidity of the Bonds may be adversely effected. The Group cannot assure investors as to the future liquidity of the Bonds and as a result, investors bear the financial risk of their investment in the Bonds.

3 Persons Responsible

3.1 Persons responsible for the information

Persons responsible for the information given in the Prospectus are:
Rederiaktiebolaget Eckerö, Torggatan 2, AX-22101 Mariehamn, Åland, Finland

3.2 Declaration by persons responsible

Responsibility statement:

Rederiaktiebolaget Eckerö confirms that the information contained in the Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Åland (Finland), 18 July 2022

Rederiaktiebolaget Eckerö



Björn Blomqvist
CEO

3.3 Competent Authority Approval

Rederiaktiebolaget Eckerö confirms that:

- (a) the Securities Note has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129;
- (b) the Norwegian FSA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;
- (c) such approval shall not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note;
- (d) investors should make their own assessment as to the suitability of investing in the securities.

4 Detailed information about the securities

ISIN code:	NO 0011130148		
LEI-code:	743700KI643QW12FW019		
The Bonds/The Reference Name/The Bonds:	"Rederiaktiebolaget Eckerö FRN senior secured EUR 62,000,000 bond issue 2021/2026".		
Issuer:	Rederiaktiebolaget Eckerö, incorporated under the laws of Finland with business identity code 0280703-5		
Group:	Means the Issuer and its subsidiaries from time to time.		
Security Type:	Secured Bond Issue with floating rate.		
Issue Amount:	EUR	62,000,000	
Denomination – Each Bond:	EUR	1,000	- each and ranking pari passu among themselves
Disbursement/Settlement/ Issue Date:	28 October 2021		
Interest Bearing From and Including:	Disbursement/Settlement/Issue Date.		
Interest Bearing To:	Maturity Date.		
Maturity Date:	28 October 2026.		
Currency	EURO		
Reference Rate:	EURIBOR 3 months.		
EURIBOR:	EURIBOR (European Interbank Offered Rate) means:		
	a) The interest rate 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 Interest Quotation Day for the offering; or		
	b) If no screen rate is available for the relevant Interest Period:		
	(i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or		
	(ii) a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or		
	c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:		

- (i) any relevant replacement reference rate generally accepted in the market; or
- (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

Information about the past and the future performance of the EURIBOR and its volatility can be obtained at: <https://www.euribor-rates.eu/en/>

Margin:	7.00 percentage points per annum
Coupon Rate:	Reference Rate plus the Margin equal to EURIBOR + 7%
Day Count Fraction - Coupon:	N/A
Business Day Convention:	If the relevant Payment Date originally falls on a day that is not a Business Day, an adjustment of the Payment Date will be made so that the relevant Payment Date will be 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 (Modified Following Business Day Convention).
Interest Rate Determination Date:	28 October 2021, and thereafter two Business Days prior to each Interest Payment Date.
Interest Rate Adjustment Date:	Coupon Rate determined on an Interest Rate Determination Date will be effective from and including the accompanying Interest Payment Date.
Interest Payment Date:	Each 28 January, 28 April, 28 June and 28 October in each year and the Maturity Date. Any adjustment will be made according to the Business Day Convention.
Yield:	The yield is calculated in accordance with «Anbefaling til Konvensjoner for det norske sertifikat- og obligasjonsmarkedet» prepared by Norske Finansanalytikerforening in January 2020: https://finansanalytiker.no/innlegg/januar-2020-oppdatert-konvensjon-for-det-norske-sertifikat-og-obligasjonsmarkedet/
Issue price:	100% of the Nominal Amount.
Securities Form:	The Bonds are electronically registered in book-entry form with the Securities Depository.
Business Day:	Any day on which both the relevant CSD settlement system is open and the relevant currency of the Bonds settlement system is open.
Early redemption option:	Reference is made to the following clauses in the Term Sheet in appendix 1: <ul style="list-style-type: none">• Voluntary early redemption call option• Special redemption call option• Put option
Amortisation:	The Bonds shall be repaid in full on the Maturity Date at a price of 100.00 per cent. of the Nominal Amount (par value).
Status of the Bonds:	The Bonds will constitute senior debt obligations of the Issuer. The Bonds shall be secured on a first priority basis by the Transaction Security. The Bonds will rank at

least pari passu with each other and with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

Transaction Security

The Bonds are Secured in the following vessels (the “**Security Vessels**”):

- M/S Eckerö (IMO 7633155) in the total amount of EUR 13,000,000
- M/S Finlandia (IMO 9214379) un-capped

Reference is made to the registration document dated 18 July 2022, and the bond terms dated 28 October 2021 in the Appendix for further information about the vessels.

Finance Document: The Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

Undertakings: The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the following undertakings:

General Undertakings

Authorisations

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time.

Compliance with laws

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time.

Continuation of business

The Issuer shall not cease to carry on its business and shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date.

Corporate status

The Issuer shall not change its type of organization or jurisdiction of incorporation.

Mergers and de-mergers

The Issuer shall not, and shall procure that no other Group Company will, carry out:

- a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or
- b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer,

if such merger, demerger, combination or reorganisation would have a material adverse effect, and provided that in any merger or other business combination or corporate reorganisation involving the Issuer, the surviving entity shall be the Issuer.

Financial Indebtedness

The Issuer shall not, and shall procure that no other Group Company will, incur any additional financial indebtedness or maintain any existing financial indebtedness, other than any permitted financial indebtedness, as defined in the bond terms.

Negative pledge

The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of their assets (whether present or future), other than any permitted security, as defined in the bond terms.

Financial support

The Issuer shall not, and shall procure that no other Group Company will, provide any Financial Support, other than any Permitted Guarantee or any Permitted Loan, as defined in the bond terms.

Disposals

The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of all or substantially all of its assets (including shares or other securities in any person) or operations (other than to a Group Company), unless such sale, transfer or disposal is carried out on an arms' length basis and would not have a Material Adverse Effect (as defined in the bond terms).

Notwithstanding paragraph (i) above, The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of any asset which is subject to the Transaction Security.

Transfer of funds to the Insurance Proceeds Account

In the event:

of an expropriation or an act of piracy of a Security Vessel (provided always that such act of piracy shall have continued for a period more than 210 calendar days or such earlier time as any relating insurance proceeds are paid out to the Issuer) (a "**Piracy Event**"); or

that there is an actual or constructive total loss of a Security Vessel (a "**Total Loss Event**"),

the Issuer shall as soon as the insurance proceeds are available and in any event no later than 180 days following the Total Loss Event or Piracy Event (as the case may be) transfer the higher of the i) insurance proceeds received, or ii) the Market Value of the Security Vessel according to the latest valuation at the time of the Total Loss Event or Piracy Event to the Insurance Proceeds Account.

Related party transactions

Without limiting "Compliance with laws" above, the Issuer shall, and shall procure that each other Group Company will, conduct all business transactions with any affiliate which is not a Group Company on an arm's length basis.

Dividend restrictions

Except for payment of interest in relation to the Skärgårdstrafik Loan, the Issuer shall not declare or make any dividend payment, repurchase of shares or make any other distributions or payments to its shareholders or interest payments on any Subordinated Loans, whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect (a "**Distribution**") unless the

Incurrence Test is met and provided in each case that no Event of Default is continuing or would result from such Distribution.

Subordinated Loans

The Issuer shall ensure that any loans made to the Issuer from its shareholders, related parties of a shareholder or a Group Company shall be in the form of a Subordinated Loan.

Vessel covenants

The Issuer shall, and shall procure that each other Group Company (if applicable) will (unless the Bond Trustee or the Bondholders' in writing have agreed otherwise) procure that:

- a) the Issuer remains the sole and direct owner of the Security Vessels;
- b) the Security Vessels are operated in all material respects in accordance with applicable law and regulations (and in compliance with all Norwegian, UK, EU, US and UN sanction regimes at all times) and good industry standards;
- c) the Security Vessels shall maintain flag and class and remain registered in Finland and Sweden or another ship registry acceptable to the Bond Trustee and the Bond Trustee shall be given notice of any changes to name, flag, class or registry of a Security Vessel prior to any such changes becoming effective;
- d) the Security Vessels and all relevant equipment related thereto are at all times maintained and in good and safe condition and repair consistent with prudent ownership and industry standards;
- e) insurance of the Security Vessels are taken out and maintained with financially sound and reputable insurance companies, funds or underwriters, including adequate insurance arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdictions. Each of the Security Vessels shall be adequately insured against (A) Hull & Machinery risks at least covering 100% of the Market Value of such Security Vessel, (B) third party liability as per industry standards (P&I), (C) war risk (including expropriation risk) as per industry standards, and (D) any additional insurances required under law or any charter contract (the "Insurances"). Also, the Bond Trustee shall take out a Mortgage Interest Insurance at the expense of the Issuer; and
- f) upon the request of the Bond Trustee, arrange for the Bond Trustee, and/or any person appointed by the Bond Trustee, to undertake technical inspection of the Security Vessels without interference of the daily operation of the Security Vessels and at the expense of the Issuer (however limited to

maximum one yearly inspection per Security Vessel unless an Event of Default has occurred and is continuing).

Financial Covenants

The Issuer undertakes to comply with the following financial covenants during the term of the Bonds:

- a) **Minimum Liquidity:** The Issuer shall ensure that the Group maintains minimum Liquidity of no less than the higher of 5% of the Net Interest Bearing Debt, and:
 - a. in the period from the Issue Date to, but not including, the Interest Payment Date in October 2022: EUR 5,000,000; and
 - b. in the period from the Interest Payment Date in October 2022 to the Maturity Date: EUR 8,000,000.
- b) **Minimum Equity Ratio:** The Issuer shall ensure that the Group maintains a minimum Equity Ratio of 30%.

The Issuer undertakes to comply with (i) the Minimum Equity Ratio at the relevant Reporting Date and (ii) Minimum Liquidity at all times, such compliance to be measured on each Reporting Date and certified by the Issuer in a compliance certificate (to be delivered to the Bond Trustee together with each Financial Report).

Definitions

See Clause 1.1 (*Definitions*) of the Bond Terms dated 27 October 2021 for a complete set of definitions.

Events of Default: Standard Event of Default provisions applicable to the Issuer and any Group Company pursuant to the Bond Terms, with a cross default threshold of EUR 5,000,000 (or equivalent thereof in any other currency) and an equal insolvency or insolvency proceedings threshold amount (or equivalent thereof in any other currency).

Listing: An application for listing on the regulated market of Oslo Børs will be made. Listing will take place as soon as possible after the Prospectus has been approved by the Norwegian FSA.

The Issuer shall use its reasonable endeavors to ensure that the Bonds are listed on an Exchange within 12 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.

Upon the occurrence of a Listing Failure Event and for as long as such Listing Failure Event is continuing, the interest on any principal amount outstanding under these Bonds Terms will accrue at the Interest Rate plus 1 percentage point per annum. In the event the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds.

Listing Failure Event means:

- (a) that the Bonds have not been admitted to listing on an Exchange within 12 months following the Issue Date, or
- (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

Purpose/Use of proceeds: The Issuer intends to use the net proceeds from the Bond Issue as follows:

- EUR 62 million for refinancing of existing debt and general corporate purposes of the Group.

The estimate of total expenses related to the issue are as follow:

External party	Cost
The Norwegian FSA	NOK 104,000
Legal fees	NOK 775,924
The Lead Managers and Listing Agent	EUR 1,364,000
Total	EUR 1,450,000

Estimated net amount of the proceeds is approximately: EUR 60.550million

Approvals: The issuance of the Bonds was subject to approval by the board of directors of the Issuer, the approval of the issuance of the Bonds is set out in Appendix 2 hereto.

The Prospectus is approved by the Norwegian FSA as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval shall not be considered as an endorsement of the Issuer that is the subject of the Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Prospectus has also been sent to Oslo Stock Exchange for review in relation to a listing application of the Bonds.

Bond Terms: The Bond Terms is attached as Appendix 1 to this Securities Note.

Availability of the Documentation: <http://www.rederiabeckero.ax/> and www.oslobors.no

Bond Trustee: Nordic Trustee AS, P.O. Box 1470 Vika, 0116 Oslo, Norway. Website: <https://nordictrustee.com>.

The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.

The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents. The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer or any other obligor unless to the extent expressly set out in the Bond Terms, or to take any steps to ascertain whether any event of default has occurred. The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the finance documents.

Joint Lead Managers: Nordea Bank Abp, filial i Norge, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway; and Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ), Tjuvholmen allé 11, 0252 Oslo, 0252 Oslo, Norway.

Listing Agent: Nordea Bank Abp, filial i Norge, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway.

Paying Agent: Nordea Bank Abp, filial i Norge, P.O. Box 1166 Sentrum, NO-0107 Oslo, Norway.

The Paying Agent is in charge of keeping the records in the Securities Depository.

Calculation Agent:	The Bond Trustee.
Securities Depository:	<p>The securities depository in which the Bonds are registered, in accordance with the Norwegian Act of 2019 no. 6 regarding Securities depository.</p> <p>On Disbursement Date the Securities Depository is the Norwegian Central Securities Depository ("Verdipapirsentralen" or "VPS"), P.O. Box 4, 0051 Oslo.</p>
Restrictions on the free transferability:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ul style="list-style-type: none">(a) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.(b) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
Market-Making:	No market-making agreement has been entered into in connection with the Bond Issue.
Legislation under which the Securities have been created:	Norwegian law.
Tax legislation	The tax legislation of the investor's Member State and of the issuer's country of incorporation may have an impact on the income received from the securities
Prospectus:	The Registration Document dated 18 July 2022 together with this Securities Note dated 18 July 2022 constitutes the Prospectus.

5 Definitions

Annual Report 2021	Rederiaktiebolaget Eckerö's annual report for 2021
Arranger(s)	Nordea Bank Abp, filial i Norge, and Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ)
BOD	The board of directors of the Company
Bondholders	Holder of Bond(s) as registered in the Norwegian Central Securities Depository ("VPS").
Company/Issuer/Eckerö	Rederiaktiebolaget Eckerö
Capex	Capital expenditures
Group	Issuer and its subsidiaries
IFRS	International Financial Reporting Standards
Prospectus	The Registration Document dated 18 July 2022 together with this Securities Note with a Summary, dated 18 July 2022, constitutes the Prospectus
Registration Document	This document dated 18 July 2022. This Registration Document has been approved by the Norwegian FSA, as competent authority under Regulation (EU) 2017/1129. The Norwegian FSA only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval shall not be considered as an endorsement of the Issuer that is the subject of this Registration Document. Investors should make their own assessment as to the suitability of investing in the securities.
Ro-ro	Roll on/Roll off vessels. Cargo vessels designed to carry wheeled cargo
Ropax	Roll on/Roll off Passenger-ship/ferry
Securities Note	Document to be prepared for each new issue of bonds under the Prospectus
Security Vessels	M/S Eckerö (IMO 7633155), M/S Finlandia (IMO 9214379)
Securities/Bonds/Loan/Bond issue	FRN Senior Secured EUR 62,000,000 Bonds 2021/2026

6 Additional Information

The involved persons in the Bond Issue have no interest, nor conflicting interests that are material to the Bond Issue.

The Issuer has mandated Nordea Bank Abp, filial i Norge and Handelsbanken AB (publ), the Joint Lead Managers, The Joint Lead Managers have acted as advisors to the Issuer in relation to the pricing of the Bonds.

The Joint Lead Managers and/or any of their affiliated companies and/or officers, directors and employees may be a market maker or hold a position in any instrument or related instrument discussed in this Securities Note, and may perform or seek to perform financial advisory or banking services related to such instruments. The Joint Lead Managers' corporate finance departments may act as manager or co-manager for this Issuer in private and/or public placement and/or resale not publicly available or commonly known.

Statement from the Joint Lead Managers:

The Issuer has mandated Nordea Bank Abp, filial i Norge and Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ), the Joint Lead Managers, have assisted the Issuer in preparing the Prospectus. The Joint Lead Managers have not verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made, and the Joint Lead Managers expressly disclaim any legal or financial liability as to the accuracy or completeness of the information contained in this prospectus or any other information supplied in connection with bonds issued by the Issuer or their distribution. The statements made in this paragraph are without prejudice to the responsibility of the Issuer. Each person receiving this Prospectus acknowledges that such person has not relied on the Joint Lead Managers nor on any person affiliated with them in connection with its investigation of the accuracy of such information or its investment decision.

Oslo, 18 July 2022


Nordea Bank Abp, filial i Norge
(www.nordea.no)

Handelsbanken Capital Markets, Svenska
Handelsbanken AB (publ)
(www.handelsbanken.no)

Listing of the Loan:

The Prospectus will be published in Norway. An application for listing at Oslo Stock Exchange will be sent as soon as possible after the Issue Date.

Appendix 1: Bond terms

Term Sheet	
<p>Rederiaktiebolaget</p> 	
<p>Rederiaktiebolaget Eckerö senior secured EUR 62,000,000 bond issue 2021/2026 (the "Bonds" or the "Bond Issue")</p>	
<p>ISIN NO0011130148</p>	
<p>Issue Date: Expected to be 28 October 2021</p>	
Issuer:	Rederiaktiebolaget Eckerö, incorporated under the laws of Finland with business identity code 0280703-5 and LEI-code 743700KI643QW12FW019.
Group:	The Issuer with all its Subsidiaries from time to time (each a "Group Company").
Managers:	Nordea Bank Abp, filial i Norge and Handelsbanken Capital Markets, Svenska Handelsbanken AB (publ).
Currency:	EUR.
Issue Amount:	EUR 62,000,000
Issue Date:	Expected to be 28 October 2021. Confirmation of Issue Date to be given to subscribers minimum two Business Days prior to the Issue Date.
Maturity Date:	28 October 2026 (5 years after the Issue Date).
Amortisation:	The Bonds shall be repaid in full on the Maturity Date at a price of 100.00 per cent. of the Nominal Amount (par value).
Interest Rate:	The percentage rate per annum which is the aggregate of the Reference Rate plus the Margin.
Margin:	7.00 per cent.
Reference Rate:	3 months EURIBOR. In the event that the Reference Rate is below zero, the Reference Rate shall be deemed to be zero.
First Interest Payment Date:	28 January 2022 (3 months after the Issue Date).
Last Interest Payment Date:	The Maturity Date.
Interest Periods:	Means, subject to adjustment in accordance with the Business Day Convention, the periods between 28 January, 28 April, 28 July and 28 October each year (each an "Interest

	Payment Date"), provided however that an Interest Period shall not extend beyond the Maturity Date.
Default interest:	Interest Rate plus 3 percentage points p.a.
Issue Price:	100% of the Nominal Amount.
Nominal Amount:	Each Bond will have a nominal value of EUR 1,000.
Minimum Investment:	The minimum permissible investment in the Bonds is EUR 100,000, and integral multiples thereof.
Use of proceeds:	The Issuer will use the net proceeds from the Bond Issue for: (a) part refinancing of the Existing Debt; and (b) general corporate purposes of the Group.
Status of the Bonds:	The Bonds will constitute senior debt obligations of the Issuer. The Bonds shall be secured on a first priority basis by the Transaction Security. The Bonds will rank at least <i>pari passu</i> with each other and with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
Listing:	The Issuer shall use its reasonable endeavours to ensure that the Bonds are listed on an Exchange within 12 months of the Issue Date and thereafter remain listed on an Exchange until the Bonds have been redeemed in full.
Exchange:	(a) Oslo Bors; or (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).
Transaction Security:	As Security for the due and punctual fulfilment of the payment obligations under the Finance Documents, the Issuer shall procure that the following Transaction Security is granted in favour of the Bond Trustee (on behalf of the Bondholders) with first priority: (a) the Escrow Account Pledge; (b) the Mortgages; (c) the Insurance Proceeds Account Pledge; and (d) the Insurance Receivables Pledge.
Finance Documents:	The Bond Term, the Bond Trustee Fee Agreement, any Transaction Security Document, and any other document designated by the Issuer and the Bond Trustee as a Finance Document.
Escrow Account:	The Issuer shall prior to the issuance of the Bonds establish an escrow account (the "Escrow Account") with Handelsbanken, Nordea or NT Services AS (in Norway or in any other applicable jurisdiction acceptable to the Bond Trustee) and the proceeds (net of cost and expenses) shall be transferred to the Escrow Account in connection with the issuance of the Bonds. The Escrow Account shall be pledged and blocked. The amount on the Escrow Account shall only be used according to the Use of proceeds.

<p>Mandatory early redemption due to a Mandatory Redemption Event:</p>	<p>Upon a Mandatory Redemption Event, the Issuer shall, within 20 Business Days after the Mandatory Redemption Event, redeem all of the Outstanding Bonds at a price of 101% of the Nominal Amount plus accrued interest, by inter alia applying the funds deposited on the Escrow Account for such redemption.</p>
<p>Mandatory Redemption Event:</p>	<p>Means in the event that the conditions precedent for disbursement from the Escrow Account have not been fulfilled within 90 Business Days after the Issue Date.</p>
<p>Conditions Precedent:</p>	<p>(a) <u>Pre-Settlement:</u></p> <p>Payment of the net proceeds from the issuance of the Bonds to the Escrow Account shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:</p> <ul style="list-style-type: none"> (i) the Bond Terms duly executed by all parties hereto; (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party; (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorization to execute such Finance Documents on behalf of the Issuer; (iv) copies of the Issuer's articles of association (Fi: <i>yhtiöjärjelmä</i>) and an extract from the Finnish Trade Register (Fi: <i>kaupparekisteriote</i>) in respect of the Issuer evidencing that the Issuer is validly existing; (v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law; (vi) copies of the Issuer's latest Financial Reports (if any); (vii) confirmation that the applicable prospectus requirements (ref the EU prospectus directive (EU) 2017/1129) concerning the issuance of the Bonds have been fulfilled; (viii) copies of any necessary governmental approval, consent or waiver (as the case may be) required at such time to issue the Bonds; (ix) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds); (x) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds; (xi) the Bond Trustee Fee Agreement duly executed by the parties thereto; and (xii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Bond Terms and the Finance Documents). <p>(b) <u>Pre-Disbursement:</u></p> <p>The net proceeds from the Bond Issue (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it</p>

	<p>will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:</p> <ul style="list-style-type: none"> (i) a duly executed release notice from the Issuer as set out in schedule to the Bond Terms; (ii) the Transaction Security Documents duly executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security in accordance with the Closing Procedure; (iii) evidence that the Security for the Existing Debt being part of the Transaction Security will be released no later than the disbursement date; and (iv) a copy of an Extract of Certificate of Registry (Fi rekisteriote) and Abstract of Title (Fi rasitustodistus) in respect of the Security Vessel registered in Finland; (v) a copy of a certificate of registration (Sw. Registerutdrag) from the Swedish Transport Agency (Sw. Transportstyrelsen) in respect of the Security Vessel registered in Sweden; (vi) legal opinions or other statements as may be required by the Bond Trustee including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Finance Documents (unless delivered in relation to paragraph (a) above as Pre-Settlement Conditions Precedent). <p>The Bond Trustee, acting in its reasonable discretion, may, waive the requirements for documentation, or decide in its discretion that delivery of certain conditions precedent shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.</p> <p>(c) <u>Closing Procedure:</u></p> <p>The Pre-Disbursement Conditions Precedent (in paragraph (b) above) may furthermore be made subject to a closing procedure (the "Closing Procedure") agreed between the Bond Trustee and the Issuer where the parties may agree that certain Pre-Disbursement Conditions Precedent are to be delivered prior to or in connection with the release of funds from the Escrow Account or as a condition subsequent. The Transaction Security (except for the Escrow Account Pledge) shall be perfected as soon as possible in accordance with the terms of the Closing Procedure on or immediately after the release of funds from the Escrow Account, including to allow for certain matters to be handled post disbursement, as customary or required for practical reasons. The Bond Trustee is authorised, under any Closing Procedure, to agree that the granting and/or perfection of Security over assets subject to security securing the Existing Debt shall be done immediately after the Existing Debt has been repaid/refinanced, but in no event later than ten (10) Business Days.</p>
<p>Representations and Warranties:</p>	<p>Standard representations and warranties for the Issuer pursuant to the standard Bond Terms (February 2021 version).</p>

<p>Voluntary early redemption - Call Option:</p>	<p>The Issuer may redeem all but not only some of the Outstanding Bonds on any Business Day from and including:</p> <ul style="list-style-type: none"> (a) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount; (b) the First Call Date to, but excluding, the Interest Payment Date falling 36 months from the Issue Date at a price equal to 103.500% of the Nominal Amount for each redeemed Bond (the "First Call Price"); (c) the Interest Payment Date falling 36 months from the Issue Date to, but excluding, the Interest Payment Date falling 42 months from the Issue Date at a price equal to 102.450% of the Nominal Amount for each redeemed Bond; (d) the Interest Payment Date falling 42 months from the Issue Date to, but excluding, the corresponding date falling 47 months from the Issue Date at a price equal to 101.400% of the Nominal Amount for each redeemed Bond; (e) the date falling 47 months from the Issue Date to, but excluding, the Interest Payment Date falling 54 months from the Issue Date at a price equal to 100.700% of the Nominal Amount for each redeemed Bond; and (f) the Interest Payment Date falling 54 months from the Issue Date to, but excluding, the Maturity Date, equal to the 100.350% of the Nominal Amount for each redeemed Bond. <p>In addition, the Issuer shall pay accrued and unpaid interest on the redeemed Bonds.</p> <p>The Call Option may be exercised by the Issuer by a written notice to the Bond Trustee at least ten (10) Business Days prior to the proposed repayment date for the Call Option (the "Call Option Repayment Date"). Any call notice given in respect of redemptions of Bonds shall be irrevocable but may, at the Issuer's discretion, be subject to the satisfaction of one or more conditions precedent, to be satisfied or waived no later than three (3) Business Days prior to the Call Option Repayment Date. If such conditions precedent have not been lifted within the said date, the call notice shall be null and void.</p>
<p>First Call Date:</p>	<p>Means the Interest Payment Date falling 30 months from the Issue Date.</p>
<p>Early redemption – Tender Offer</p>	<p>Upon the occurrence of a Total Loss Event or a Piracy Event, the Issuer shall within 20 Business Days after funds are paid into the Insurance Proceeds Account make an offer to the Bondholders in an aggregate amount equal to the amount standing to the credit of the Insurance Proceeds Account to redeem Bonds at a price of minimum 100% of the Nominal Amount (plus accrued interest on redeemed amount), or such higher price or range as the Issuer in its sole discretion may decide, during a period of ten (10) Business Days following the offer (a "Tender Offer"), after which Bonds will be redeemed on a pro rata basis between the Bondholders who accepted the Tender Offer at the relevant tender price (and on the basis of number of Bonds tendered for redemption) after which the remaining funds on the Insurance Proceeds Account may be released to the Issuer.</p>
<p>Special Redemption Call Option:</p>	<p>Prior to the First Call Date, the Issuer will have a right (Special Redemption Call Option), at one occasion, upon the disposal of a vessel, other than any of the Security Vessels, to partially redeem parts of the Outstanding Bonds with an aggregate Nominal Amount not exceeding EUR 10,000,000, at a price equal to 103% of the Nominal Amount during a period of 15 Business Days following the notice of a disposal of such</p>

	vessel. The Special Redemption Call Option repayment date will be the fifth Business Day after the end of the 15 Business Days exercise period.
Make Whole Amount:	<p>Means an amount equal to the sum of the present value on the Call Option Repayment Date of each of:</p> <ul style="list-style-type: none"> (a) the First Call Price of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and (b) the remaining interest payments of the redeemed Bonds up to and including the First Call Date (excluding any accrued and unpaid interest on the redeemed Bonds on the Call Option Repayment Date). <p>where the present value shall be calculated by using a discount rate of 0.5% per annum, and where the Interest Rate applied for the remaining interest payments until the First Call Date shall be the applicable Interest Rate on the Call Option Repayment Date.</p>
Put Option:	<p>Upon the occurrence of a Put Option Event, each Bondholder will have a right (Put Option) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101% of the Nominal Amount during a period of 15 Business Days following the notice of a Put Option Event. The Put Option repayment date will be the fifth Business Day after the end of the 15 Business Days exercise period (the "Put Option Repayment Date"). The settlement of the Put Option will be based on each Bondholder's holding of Bonds at that day.</p> <p>If Bonds representing more than 90% of the Outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Day after the Put Option Repayment Date.</p>
Put Option Event:	Means a Change of Control Event or a Listing Failure Event.
Change of Control Event:	The occurrence of an event or series of events whereby a person or group of persons acting in concert gaining Decisive Influence over the Issuer.
Listing Failure Event:	<p>Means:</p> <ul style="list-style-type: none"> (a) that the Bonds have not been admitted to listing on an Exchange within 12 months following the Issue Date, or (b) in the case of a successful admission to listing, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange.

Information Undertakings:	<p>Standard information undertakings pursuant to the Bond Terms, including, but not limited to:</p> <p>(a) Financial Reports</p> <p>(i) The Issuer shall prepare Annual Financial Statements in the English language and make them available on Stamdata or on the Issuer's website (alternatively on another relevant information platform) as soon as they become available, and not later than four months after the end of the financial year.</p> <p>(ii) The Issuer shall prepare Interim Accounts in the English language and make them available on Stamdata or on the Issuer's website (alternatively on another relevant information platform) as soon as they become available, and not later than two months after the end of the relevant interim period.</p> <p>(b) Requirements as to Financial Reports</p> <p>(i) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports, a compliance certificate with a copy of the Financial Reports attached thereto. The compliance certificate shall be duly signed by the chief executive officer or the chief financial officer, of the Issuer, certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of the relevant Financial Report and setting out in (reasonable detail) computations evidencing compliance with the financial covenants as at such date.</p> <p>(ii) The Issuer shall procure that the Financial Reports delivered pursuant to the above are prepared using the Accounting Standard consistently applied.</p>
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General Undertakings:	<p>The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the following undertakings:</p> <p>(a) Authorisations The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time.</p> <p>(b) Compliance with laws The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time.</p> <p>(c) Continuation of business The Issuer shall not cease to carry on its business and shall procure that no material change is made to the general nature of the business from that carried on by the Group at the Issue Date.</p> <p>(d) Corporate status The Issuer shall not change its type of organization or jurisdiction of incorporation.</p> <p>(e) Mergers and de-mergers The Issuer shall not, and shall procure that no other Group Company will, carry out:</p> <p style="margin-left: 20px;">(i) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or</p> <p style="margin-left: 20px;">(ii) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer.</p> <p>if such merger, demerger, combination or reorganisation would have a Material Adverse Effect, and provided that in any merger or other business combination or corporate reorganisation involving the Issuer, the surviving entity shall be the Issuer.</p> <p>(f) Financial Indebtedness The Issuer shall not, and shall procure that no other Group Company will, incur any additional Financial Indebtedness or maintain any existing Financial Indebtedness, other than any Permitted Financial Indebtedness.</p> <p>(g) Negative pledge The Issuer shall not, and shall procure that no other Group Company will, create or allow to subsist, retain, provide, prolong or renew any Security over any of their assets (whether present or future), other than any Permitted Security.</p> <p>(h) Financial support The Issuer shall not, and shall procure that no other Group Company will, provide any Financial Support, other than any Permitted Guarantee or any Permitted Loan.</p> <p>(i) Disposals (i) The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of all or substantially all of its assets (including shares or other securities in any person) or operations (other</p>
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	<p>than to a Group Company), unless such sale, transfer or disposal is carried out on an arm's length basis and would not have a Material Adverse Effect.</p> <p>(ii) Notwithstanding paragraph (i) above, The Issuer shall not, and shall procure that no other Group Company will, sell, transfer or otherwise dispose of any asset which is subject to the Transaction Security.</p> <p>(j) Transfer of funds to the Insurance Proceeds Account In the event:</p> <p>(i) of an expropriation or an act of piracy of a Security Vessel (provided always that such act of piracy shall have continued for a period more than 210 calendar days or such earlier time as any relating insurance proceeds are paid out to the Issuer) (a "Piracy Event"); or</p> <p>(ii) that there is an actual or constructive total loss of a Security Vessel (a "Total Loss Event"),</p> <p>the Issuer shall as soon as the insurance proceeds are available and in any event no later than 180 days following the Total Loss Event or Piracy Event (as the case may be) transfer the higher of the i) insurance proceeds received, or ii) the Market Value of the Security Vessel according to the latest valuation at the time of the Total Loss Event or Piracy Event to the Insurance Proceeds Account.</p> <p>(k) Related party transactions Without limiting paragraph (b) (<i>Compliance with laws</i>) above, the Issuer shall, and shall procure that each other Group Company will, conduct all business transactions with any affiliate which is not a Group Company on an arm's length basis.</p> <p>(l) Dividend restrictions Except for payment of interest in relation to the Skårgårdstrafik Loan, the Issuer shall not declare or make any dividend payment, repurchase of shares or make any other distributions or payments to its shareholders or interest payments on any Subordinated Loans, whether in cash or in kind, including without limitation any total return swaps or instruments with similar effect (a "Distribution") unless the Incurrence Test is met and provided in each case that no Event of Default is continuing or would result from such Distribution.</p> <p>(m) Subordinated Loans The Issuer shall ensure that any loans made to the Issuer from its shareholders, related parties of a shareholder or a Group Company shall be in the form of a Subordinated Loan.</p> <p>(n) Vessel covenants The Issuer shall, and shall procure that each other Group Company (if applicable) will (unless the Bond Trustee or the Bondholders' in writing have agreed otherwise) procure that:</p> <p>(i) the Issuer remains the sole and direct owner of the Security Vessels;</p> <p>(ii) the Security Vessels are operated in all material respects in accordance with applicable law and regulations (and in compliance with all Norwegian, UK, EU, US and UN sanction regimes at all times) and good industry standards;</p>
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	<ul style="list-style-type: none"> (iii) the Security Vessels shall maintain flag and class and remain registered in Finland and Sweden or another ship registry acceptable to the Bond Trustee and the Bond Trustee shall be given notice of any changes to name, flag, class or registry of a Security Vessel prior to any such changes becoming effective; (iv) the Security Vessels and all relevant equipment related thereto are at all times maintained and in good and safe condition and repair consistent with prudent ownership and industry standards; (v) insurance of the Security Vessels are taken out and maintained with financially sound and reputable insurance companies, funds or underwriters, including adequate insurance arrangements with respect to its assets, equipment and business against such liabilities, casualties and contingencies and of such types and in such amounts as are consistent with prudent business practice in their relevant jurisdictions. Each of the Security Vessels shall be adequately insured against (A) Hull & Machinery risks at least covering 100% of the Market Value of such Security Vessel, (B) third party liability as per industry standards (P&I), (C) war risk (including expropriation risk) as per industry standards, and (D) any additional insurances required under law or any charter contract (the "Insurances"). Also, the Bond Trustee shall take out a Mortgage Interest Insurance at the expense of the Issuer; and (vi) upon the request of the Bond Trustee, arrange for the Bond Trustee, and/or any person appointed by the Bond Trustee, to undertake technical inspection of the Security Vessels without interference of the daily operation of the Security Vessels and at the expense of the Issuer (however limited to maximum one yearly inspection per Security Vessel unless an Event of Default has occurred and is continuing).
<p>Financial Covenants:</p>	<p>The Issuer undertakes to comply with the following financial covenants during the term of the Bonds:</p> <ul style="list-style-type: none"> (a) Minimum Liquidity: The Issuer shall ensure that the Group maintains minimum Liquidity of no less than the higher of 5% of the Net Interest Bearing Debt, and: <ul style="list-style-type: none"> (i) in the period from the Issue Date to, but not including, the Interest Payment Date in October 2022: EUR 5,000,000; and (ii) in the period from the Interest Payment Date in October 2022 to the Maturity Date: EUR 8,000,000. (b) Minimum Equity Ratio: The Issuer shall ensure that the Group maintains a minimum Equity Ratio of 30%. <p>The Issuer undertakes to comply with (i) the Minimum Equity Ratio at the relevant Reporting Date and (ii) Minimum Liquidity at all times, such compliance to be measured on each Reporting Date and certified by the Issuer in a compliance certificate (to be delivered to the Bond Trustee together with each Financial Report).</p>
<p>Incurrence Test</p>	<p>The Incurrence Test with respect to the incurrence of additional Financial Indebtedness is met if the Leverage Ratio on the Testing Date is equal to or does not exceed the following levels:</p> <ul style="list-style-type: none"> (a) 4.25x Until 31 December 2022

	<p>(b) 3.75x After 31 December 2022 and until 31 December 2023</p> <p>(c) 3.25x After 31 December 2023</p> <p>The Incurrence Test with respect to a Distribution is met if the Leverage Ratio on the Testing Date is equal to or does not exceed 3.00x.</p> <p>The calculation of the Leverage Ratio, shall be made on a testing date determined by the Issuer, falling no earlier than the date of the most recent Financial Report prior to the event relevant for the application of the Incurrence Test (the "Testing Date").</p> <p>For the purpose of calculating the Leverage Ratio, Net Interest Bearing Debt shall be measured on the Testing Date and be adjusted on a pro forma basis to take into account the amount of any Financial Indebtedness to be incurred or the amount of any Distribution in respect of which the Incurrence Test is applied.</p>
<p>Defined terms:</p>	<p>Capitalised terms used but not defined herein (including as set out below) shall have the meaning ascribed to such terms in the standard Nordic Bond Terms for high yield bonds:</p> <p>"Acceptable Bank" means in relation to Cash and Cash Equivalents, a commercial bank, savings bank or a trust company which has a rating of BBB or higher from Standard & Poor's Rating Service or Baa2 or higher from Moody's Investor Service Limited or a comparable rating from a nationally recognized credit rating agency for its long-term debt obligations.</p> <p>"Accounting Standard" means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable (at the discretion of the Issuer), IFRS.</p> <p>"Annual Financial Statements" means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.</p> <p>"Approved Shipbroker" means any of Fearnleys, Nordic Shipping, Arctic Shipping AS and Clarkson Platou, Brax Shipping, Simsonship Shipbrokers AB or such other independent reputable ship broker nominated by the Issuer and approved by the Bond Trustee from time to time.</p> <p>"Bond Trustee Fee Agreement" means the agreement entered into between the Issuer and the Bond Trustee relating, among other things, to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.</p> <p>"Business Day" means a day on which both the relevant CSD settlement system is open, and which is a TARGET-Day.</p> <p>"Business Day Convention" means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).</p> <p>"Cash and Cash Equivalents" means on any date, the aggregate equivalent in EUR on such date of the then current market value of:</p>

	<p>(a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with an Acceptable Bank; and</p> <p>(b) time deposits with Acceptable Banks and certificates of deposit issued, and bills of exchange accepted, by an Acceptable Bank,</p> <p>in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access and which is not subject to any Security.</p> <p>"Decisive Influence" means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):</p> <p>(a) a majority of the voting rights in that other person; or</p> <p>(b) a right to elect or remove a majority of the members of the board of directors of that other person.</p> <p>"EBITDA" means, in respect of any Relevant Period, the Group's aggregate earnings before interest, taxes, depreciation and amortization for that Relevant Period.</p> <p>"Equity Ratio" means the ratio of Total Equity to Total Assets.</p> <p>"Escrow Account Pledge" means the pledge over the Escrow Account.</p> <p>"Existing Debt" means the Group's existing loan facilities in the total approximate amount of EUR 89,6 million, consisting of (i) the Handelsbanken EUR 77,6 million loan facility, (ii) the Veritas EUR 5 million loan facility, and (iii) the Seafarers' Pension Fund EUR 7 million loan facility, together with accrued and unpaid interest fees and cost.</p> <p>"Financial Indebtedness" means any indebtedness for or in respect of:</p> <p>(a) moneys borrowed (and debit balances at banks or other financial institutions);</p> <p>(b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;</p> <p>(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;</p> <p>(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be capitalized as an asset and booked as a corresponding liability in the balance sheet;</p> <p>(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);</p> <p>(f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);</p> <p>(g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group</p>
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	<p>Company which liability would fall within one of the other paragraphs of this definition:</p> <ul style="list-style-type: none">(h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;(i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;(j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and(k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (a) to (j) above. <p>"Insurance Proceeds Account" means an account with an Acceptable Bank where the net proceeds received from a Total Loss Event or a Piracy Event shall be paid directly into, which shall be pledged and blocked in favour of the Bond Trustee (on behalf of the Secured Parties).</p> <p>"Insurance Proceeds Account Pledge" means the pledge over the Insurance Proceeds Account.</p> <p>"Insurance Receivables Pledge" means the pledge or assignment of all claims or receivables (as applicable) related to the Insurances, except the third party liability insurance (P&I), under applicable law.</p> <p>"Insurances" shall have the meaning ascribed to such term under the General Undertakings.</p> <p>"Interim Accounts" means the unaudited consolidated quarterly financial statements of the Issuer for each quarterly period ending on each 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and an accompanying management summary.</p> <p>"Leverage Ratio" means Net Interest Bearing Debt to EBITDA.</p> <p>"Liquidity" means, at any date, the aggregate amount of Cash and Cash Equivalents of the Group and available and undrawn amounts under the Working Capital Financing Facilities, in each case reported in accordance with the Accounting Standard.</p> <p>"Market Value" means the fair market value of the Security Vessels in EUR, determined as the independent valuation of the Security Vessels obtained from an Approved Shipbroker. Such valuation shall be made on the basis of a sale for prompt delivery for cash at arm's length on normal commercial terms as between a willing seller and willing buyer, on an "as is where is" basis, free of any existing charters or other contracts for employment. The cost of such determination shall be for the account of the Issuer.</p> <p>"Material Adverse Effect" means a material adverse effect on:</p>
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	<p>(a) the ability of the Issuer and any Group Company to perform and comply with its obligation; under any of the Finance Documents; or</p> <p>(b) the validity or enforceability of any of the Finance Documents.</p> <p>"Mortgages" means the mortgage over each of the Security Vessels including all relevant equipment being legally part of the Security Vessels under applicable law, for the vessel MS Eckerö in the form of the current mortgage in the amount of EUR 13 million, to be transferred to the Bond Trustee on behalf of the Bondholders as pre-disbursement Transaction Security.</p> <p>"Net Interest Bearing Debt" means the aggregate interest bearing Financial Indebtedness (excluding any Subordinated Loan and the Skärgårdstrafik Loan) less Cash and Cash Equivalents of the Group.</p> <p>"Permitted Financial Indebtedness" means:</p> <p>(a) any Financial Indebtedness incurred pursuant to the Finance Documents;</p> <p>(b) the Existing Debt, until refinanced with the proceeds from the issuance of the Bonds;</p> <p>(c) Financial Indebtedness incurred from the Working Capital Financing Facilities not exceeding EUR 14 million;</p> <p>(d) Financial Indebtedness with Veritas Pension Insurance as lender, as long as the principal amount outstanding under such Financial Indebtedness does not exceed EUR 10 million;</p> <p>(e) Financial Indebtedness with Seafarers' Pension Fund as lender, as long as the principal amount outstanding under such Financial Indebtedness does not exceed EUR 10 million;</p> <p>(f) the Skärgårdstrafik Loan;</p> <p>(g) Financial Indebtedness related to hedging of interest rates, currency fluctuations or commodity exposures, made in the ordinary course of business and on a non-speculative basis;</p> <p>(h) Financial Indebtedness incurred under any pension or tax liabilities in the ordinary course of business (including any permitted extended payment periods under such Financial Indebtedness);</p> <p>(i) any Subordinated Loan;</p> <p>(j) any other Financial Indebtedness incurred by the Issuer, provided that the Incurrence Test is met (tested pro forma immediately after the incurrence of such indebtedness) and provided such Financial Indebtedness of the Issuer ranks pari passu with or is subordinated to the obligations of the Issuer under the Finance Documents;</p> <p>(k) any recourse claims under applicable travel guarantees incurred in the ordinary course of business;</p> <p>(l) any recourse claims under any applicable commercial guarantee incurred in the ordinary course of trading;</p> <p>(m) any Financial Indebtedness relating to receivables purchase arrangements made in respect of the Issuer's credit card claims towards its customers;</p>
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	<p>(n) any recourse claims under any applicable guarantee granted by a third party to any landlord; in the ordinary course of trading;</p> <p>(o) any Financial Indebtedness relating to the Issuer's use of credit cards in the ordinary course of trading;</p> <p>(p) rent obligation for the lease of office buildings, any other properties or assets, incurred in the ordinary course of business;</p> <p>(q) any refinancing, amendment or replacement of any of (a) and (c)-(e) above from time to time; and</p> <p>(r) any other Financial Indebtedness not permitted by the preceding paragraphs and the aggregate outstanding principal amount of which does not exceed an aggregate amount of EUR 3,000,000 (or the equivalent in other currencies) at any time.</p> <p>"Permitted Guarantees" means:</p> <p>(a) any guarantee obligation arising under or out of the Finance Documents and the Working Capital Financing Facilities;</p> <p>(b) the endorsement of negotiable instruments in the ordinary course of trade;</p> <p>(c) any guarantee given in respect of the cash pooling, netting or set-off arrangements permitted pursuant to paragraph (d) of the definition of Permitted Security;</p> <p>(d) any guarantee granted in relation to the lease of any real property or otherwise in the ordinary course of business of the Group; and</p> <p>(e) any guarantees or indemnities not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed EUR 3,000,000 (or its equivalent in other currencies) in aggregate of the Group at any time.</p> <p>"Permitted Loan" means:</p> <p>(a) any Financial Indebtedness or loan made by and between Group Companies (including cash pooling arrangements with an Acceptable Bank to the extent allowed under applicable law);</p> <p>(b) deposits of cash or cash equivalent investments with financial institutions for cash management purposes; or in the ordinary course of business;</p> <p>(c) any Financial Indebtedness or loan made or credit extended by any Group Company to its customers in the ordinary course of business;</p> <p>(d) any Financial Support arising out of any Permitted Guarantee or Permitted Security; and</p> <p>(e) any loan granted, which is not permitted pursuant to the preceding paragraphs and the aggregate principal amount of which does not exceed EUR 2,000,000 (or its equivalent in other currencies) at any time.</p> <p>"Permitted Security" means:</p> <p>(a) any Transaction Security, including cash collateral to secure obligations under the Finance Documents;</p>
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	<p>(b) any Security granted in relation to the Working Capital Financing Facilities and Financial Indebtedness referred to under paragraph (d), (e), (g) (j) and (l)-(o) under Permitted Financial Indebtedness;</p> <p>(c) any Security for the Existing Debt, until refinanced with the proceeds from the Bond Issue;</p> <p>(d) any Security arising by operation of law and in the ordinary course of trading, provided that if such Security has arisen as a result of any default or omission by any member of the Group it shall not subsist for a period of more than 30 calendar days;</p> <p>(e) any cash pooling, netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of Group Companies;</p> <p>(f) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and not arising as a result of a default or omission by any Group Company that is continuing for a period of more than 30 calendar days;</p> <p>(g) any right of set-off arising under contracts entered into by Group Companies in the ordinary course of their day-to-day business; and</p> <p>(h) any Security arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution.</p> <p>"Piracy Event" shall have the meaning ascribed to such term under the General Undertakings.</p> <p>"Relevant Period" means each period of twelve (12) consecutive calendar months ending on the last day of the preceding financial quarter.</p> <p>"Reporting Date" means 31 March, 30 June, 30 September and 31 December each year.</p> <p>"Security Vessels" means the following vessels:</p> <ul style="list-style-type: none"> (i) Eckerö (IMO 7633155); and (j) Finlandia (IMO 9214379). <p>"Skärgårdstrafik Loan" means the shareholder loan provided to the Issuer by Rederi Ab Skärgårdstrafik in an amount not exceeding EUR 2 million.</p> <p>"Subordinated Loans" means any loan granted or to be granted to the Issuer, with terms (including aggregate amount) and final structure acceptable to the Bond Trustee, inter alia to ensure that (i) such loan is fully subordinated to the payment obligations under the Finance Documents; and (ii) any repayment of, or payment of interest under, any such loan (other than as otherwise permitted) is subject to all present and future obligations and liabilities under the payment obligations under the Finance Documents having been discharged in full (unless being a permitted Distribution).</p> <p>"Subsidiary" means a company over which another company has Decisive Influence.</p>
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	<p>"Tender Offer" shall have the meaning ascribed to such term under "Early redemption – Tender Offer".</p> <p>"Tender Offer Repayment Date" means the settlement date for the Tender Offer.</p> <p>"Total Assets" means the aggregate book value of the Group's total assets treated as assets in accordance with the Accounting Standard.</p> <p>"Total Equity" means the aggregate book value of the Group's total equity treated as equity in accordance with the Accounting Standard.</p> <p>"Total Loss Event" shall have the meaning ascribed to such term under General Undertakings.</p> <p>"Working Capital Financing Facilities" means the overdrafts and credit facilities provided to the Issuer by Svenska Handelsbanken AB (publ), Branch Operation in Finland in an amount not exceeding EUR 14,000,000.</p>
Event of Defaults:	Standard Event of Default provisions applicable to the Issuer and any Group Company pursuant to the Bond Terms, with a cross default threshold of EUR 5,000,000 (or equivalent thereof in any other currency) and an equal insolvency or insolvency proceedings threshold amount (or equivalent thereof in any other currency).
Tax gross up:	<p>If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents the amount of the payment due will be grossed-up to such net amount which is (after making the required withholding) equal to the payment which would have been received if no withholding had been required.</p> <p>Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p>
Early redemption option due to a tax event:	If the Issuer is or will be required to gross up any withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents as a result of a change in applicable law implemented after the date of the Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to 100% of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the tax event repayment date, provided that no such notice shall be given earlier than 40 Business Days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.
Bond Terms:	<p>The standard Nordic Bond Terms for corporate high yield bonds (the Bond Trustee's Norwegian high-yield standard agreement (February 2021 version)) adjusted (where relevant) by the terms set out herein will regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Bond Terms, the provisions of the Bond Terms shall prevail.</p> <p>By filing an application to subscribe for Bonds, each investor accepts to become a Bondholder (as defined in the Bond Terms) and to be bound by the provisions of the Bond Terms. Further, by filing such application, each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur in the final Bond Terms.</p>

	<p>The Bond Terms shall include provisions on the Bond Trustee's right to represent the Bondholders, including a "no action" clause, meaning that no individual Bondholder may take any legal action against the Issuer individually (as further described in the Bond Terms). The Bond Terms will further contain provisions regulating the duties of the Bond Trustee, procedures for Bondholders' Meetings/Written Resolutions and applicable quorum and majority requirements for Bondholders' consent, whereas a sufficient majority of Bondholders may materially amend the provision of the Bond Terms or discharge the Bonds in part or in full without the consent of all Bondholders, as well as other provisions customary for a bond offering as described herein.</p>
Paying Agent:	Nordea Bank Abp, filial i Norge.
Bond Trustee and Security Agent:	Nordic Trustee AS.
Securities Depository:	The Bonds will be registered in VPS ASA (the "CSD").
Approvals:	The issuance of the Bonds shall be subject to approval by the board of directors of the Issuer, as well as any other approvals as may be required by applicable company law.
Market Making:	No market-maker agreement has been entered into for the issuance of the Bonds.
Repurchase of Bonds:	The Issuer may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion.
Terms of subscription:	<p>Any subscriber of the Bonds specifically authorizes the Bond Trustee to execute and deliver the Bond Terms on behalf of the prospective Bondholder, who will execute and deliver relevant application forms prior to receiving Bond allotments. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Terms and the latter's execution and delivery is on behalf of all of the subscribers, such that they thereby will become bound by the Bond Terms. The Bond Terms specify that by virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with.</p> <p>The Bond Terms shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Bond Trustee or the Issuer.</p>
Subscription Restrictions:	<p>The Bonds will only be offered or sold within the United States to Qualified Institutional Buyers ("QIBs") as defined in Rule 144A under the U.S. Securities Act.</p> <p>The Bonds have not and will not be registered under the U.S. Securities Act, or any state securities law except pursuant to an exemption from the registration requirements of the U.S. Securities Act and appropriate exemptions under the laws of any other jurisdiction. The Bonds may not be offered or sold within the United States to, or for the account or benefit of, any U.S. Person (as such terms are defined in regulations), except pursuant to an exemption from the registration requirements of the U.S. Securities Act. See further details in the Application Form and the Private Placement Memorandum. Failure to comply with these restrictions may constitute a violation of applicable securities legislation.</p>
Transfer Restrictions:	The Bonds are freely transferable and may be pledged, subject to the following:

	<p>Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and regulations applicable at own cost and expense.</p> <p>Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory restrictions applicable may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.</p>
<p>Governing Law:</p>	<p>Norwegian law.</p>
<p>Åland, 14 October 2021</p>	
<p>Rederiaktiebolaget  As Issuer</p>	

Nordea Bank Abp, filial i Norge

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