

## NOTICE TO A WRITTEN PROCEDURE

*Denna kallelse till obligationsinnehavarna är endast utformad på engelska.*

Stockholm, 20 December 2018

To the bondholders in:

ISIN: SE0007186150 – Func Food Group Oyj up to EUR 50,000,000 Senior Secured Bonds 2015/2019 (the "Bonds")

### NOTICE OF WRITTEN PROCEDURE – REQUEST TO WAIVE CERTAIN PROVISIONS IN THE TERMS AND CONDITIONS

This voting request for procedure in writing will be sent by regular mail on 20 December 2018 to Bondholders directly registered in the debt register (Sw. *skuldbok*) kept by Euroclear Sweden AB (the "CSD"). This voting request has also been published on the websites of the Issuer and the Agent (as defined below), in accordance with the terms and conditions of the Bonds (the "Terms and Conditions"). If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. For further information, please see below under Clause 4.3 (*Voting rights and authorisation*).

Nordic Trustee & Agency AB (publ) acts as agent (the "**Agent**") for the holders of the bonds (the "**Bondholders**") in the above mentioned bond issue ISIN SE0007186150 issued by Func Food Group Oyj (the "**Issuer**"). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Bondholders can vote for or against the Issuer's waiver requests.

Further, reference is made to the notice of written procedure relating to the Bonds sent by the Agent on 10 December 2018 (the "**Earlier Written Procedure**"). As communicated in a separate notice sent by the Agent today (20 December 2018), the Issuer hereby cancels the Earlier Written Procedure.

All capitalised terms used herein and not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the terms and conditions of the Bonds.

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

The Agent must **receive the Voting Form no later than 17:00 (CET) on 22 January 2019** either by mail, courier or email to the Agent using the contact details set out in Clause 4.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Bondholder on 2 January 2019 (the "**Record Date**"). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

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

## **1. Background**

As previously set out in the Earlier Written Procedure, the Issuer is undergoing a shift in portfolio focus from traditional single-ingredient (powder) sports nutrition- and superfoods- products to convenience-driven and ready-to-eat / ready-to-drink solutions while the market has seen a rapid decline in manufacturer margins on single-ingredient offerings. The Issuer has been facing headwinds in single-ingredient categories while driving portfolio and geographic growth for chosen focus areas. The current setup has resulted in significant cost related to portfolio rationalisation (sell-outs, write-offs), thus placing a strain on revenue and liquidity in 2018. The Issuer has managed to stabilize Celsius market share in Sweden, grow volumes in Finland and enter the market in Norway. Meanwhile, the Issuer is growing its bar volumes in both of its core markets. Despite this, the impact of the aforementioned drivers on overall 2018 performance has been severe in terms of EBITDA generation vs previous expectation.

The owners of the Issuer are currently in discussions with a potential acquirer of the business and under the terms of the letter of intent related to the acquisition, all stakeholders are set to benefit through a potential divestment of shares at a valuation level significantly exceeding the current trading levels of the Bonds. The proposed acquisition would enable the Issuer to stabilize operations and increase growth focus with a more efficient portfolio.

Given current market dynamics, the Issuer would like to maximize investments behind strategic initiatives and maintain momentum for a business turnaround in the core markets. To improve on the profit delivery, the Issuer has in Q4/2018 executed an efficiency program set to decrease total opex by ~1M € in 2019.

Despite unsatisfactory performance since the Bond issue, the owners of the Issuer have continuously supported the Issuer financially and managed all obligations to its Bondholders. A bond coupon waiver in Q4/2018 will allow the Issuer to secure funding needed for a stronger position in the markets and benefit all stakeholders. Existing cash in the Issuer will be applied towards strengthening the business in Q1/2019.

## **2. Waiver of the Terms and Conditions**

In order to achieve the above mentioned objectives, the Issuer hereby requests that Bondholders approve to amend the Terms and Conditions (in accordance with the mark-up set out in [Schedule 3](#)) and waive the requirement for the Issuer to pay Interest on the forthcoming Interest Payment Date (being 26 December 2018). The Interest that should have been paid on the forthcoming Interest Payment Date will instead be paid on the Final Maturity Date or the date on which the Bonds are redeemed in full, to those who are registered as Bondholders on the date falling five Business Days prior to the Final

Maturity Date or the date on which the Bonds are redeemed in full (as applicable). Further, since the Written Procedure will not have been concluded prior to the following Interest Payment Date (26 December 2018) and Interest will not be paid on such Interest Payment Date, an Event of Default will occur on such date. The Issuer therefore also requests that Bondholders waive any breach of clause 9 (*Interest*) and clause 15.1 (*Non-Payment*) of the Terms and Conditions which has occurred due to the Issuer not having paid Interest on 26 December 2018, meaning that no Default Interest will accrue from the occurrence of the Event of Default (the "**Requests**").

For the avoidance of doubt, the Interest payment to be made by the Issuer on the subsequent Interest Payment Date (26 March 2019) will be paid as scheduled.

### **3. Waiver fee**

The Issuer acknowledges that agreement by Bondholders to the Requests is subject to the Terms and Conditions being further amended (in accordance with the mark-up set out in Schedule 3) to include a provision that a fee amounting to 1.00 per cent of the Outstanding Nominal Amount on the Record Date shall be paid on each Bond *pro rata* on the Final Maturity Date or the date on which the Bonds are redeemed in full, to those who are registered as Bondholders on the date falling five Business Days prior to the Final Maturity Date or the date on which the Bonds are redeemed in full (as applicable).

#### **4. Written Procedure**

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

##### **4.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 17:00 (CET), 22 January 2019. Votes received thereafter may be disregarded.

##### **4.2 Decision procedure**

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

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Requests shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired. The Issuer and the Agent shall, in order to implement and effectuate the amendments, enter into amended and restated Terms and Conditions.

Information about the decision taken under the Written Procedure will: (i) be sent by notice to the Bondholders and (ii) be published on the websites of (a) the Issuer and (b) the Agent.

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

##### **4.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date (2 January 2019) in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

##### **4.4 Bonds registered with a nominee**

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

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

chain of bondholders, starting with the intermediary that is registered in the debt register as a Bondholder of the Securities Account as authorised nominee or direct registered owner.

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

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

#### **4.5 Quorum**

To approve the Requests, Bondholders representing at least twenty (20) per cent of the Adjusted Nominal Amount must reply to the request under the Written Procedure in order to form a quorum.

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

#### **4.6 Majority**

At least sixty-six and two thirds (66 2/3) per cent of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure must consent to the Requests.

#### **4.7 Address for sending replies**

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

**By regular mail:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure Func Food Group Oyj  
P.O. Box 7329  
S-103 90 Stockholm

**By courier:**

Nordic Trustee & Agency AB  
Attn: Written Procedure Func Food Group Oyj  
Norrandsgatan 23  
111 43 Stockholm

**By email:**

E-mail: [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com)

## 5. FURTHER INFORMATION

For further questions to the Issuer, regarding the request, please contact the Issuer at [jani.partanen@funcfood.com](mailto:jani.partanen@funcfood.com) (Group CFO) or +358405183076.

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or +46 8 783 79 00.

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**Stockholm, 20 December 2018**

**NORDIC TRUSTEE & AGENCY AB (PUBL)**

**As Agent**

**Enclosed:**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation

# VOTING FORM

## Schedule 1

For the Written Procedure in Func Food Group Oyj up to EUR 50,000,000 Senior Secured Bonds 2015/2019, SE0007186150.

The undersigned Bondholder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the waiver Requests by marking the applicable box below.

**NOTE:** *If the Voting Person is not registered as Bondholder (as defined in the Terms and Conditions), the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2.*

**For** the Requests

**Against** the Requests

Name of the Voting Person: \_\_\_\_\_

Capacity of the Voting Person:

Bondholder:

<sup>1</sup>

authorised person:

<sup>2</sup>

Voting Person’s reg.no/id.no  
and country of incorporation/domicile: \_\_\_\_\_

Securities Account number at Euroclear Sweden: \_\_\_\_\_

*(if applicable)*

Name and Securities Account number of custodian(s):  
*(if applicable)* \_\_\_\_\_

Nominal Amount voted for (in EUR): \_\_\_\_\_

Day time telephone number, e-mail address and contact person:  
\_\_\_\_\_

\_\_\_\_\_  
Authorised signature and Name <sup>3</sup>

\_\_\_\_\_  
Place, date:

<sup>1</sup> When voting in this capacity, no further evidence is required.

<sup>2</sup> When voting in this capacity, the person/entity voting must also enclose Power of Attorney/Authorisation (*Schedule 2*) from the Bondholder or other proof of authorisation showing the number of votes held on the Record Date.

# POWER OF ATTORNEY/AUTHORISATION

## Schedule 2

For the Written Procedure in Func Food Group Oyj up to EUR 50,000,000 Senior Secured Bonds 2015/2019, SE0007186150.

**NOTE:** This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Bondholder on the Securities Account, held with Euroclear Sweden. It must always be established a coherent chain of power of attorneys derived from the Bondholder. I.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Bondholder.

Name of person/entity that is given authorisation (Sw. *Befullmäktigad*) to vote as per the Record Date:

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Nominal Amount (in EUR) the person/entity is authorised to vote for as per the Record Date:

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Name of Bondholder or other intermediary giving the authorisation (Sw. *Fullmaktsgivaren*):

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We hereby confirm that the person/entity specified above (Sw. *Befullmäktigad*) has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of: EUR \_\_\_\_\_

We are:

Registered as Bondholder on the Securities Account

Other intermediary and holds the Bondholder through (specify below):

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Place, date: \_\_\_\_\_

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Name:

Authorised signature of Bondholder / other intermediary (Sw. *Fullmaktsgivaren*)

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3 If the undersigned is not a Bondholder according the Terms and Condition and has marked the box "authorised person", the undersigned – by signing this document – confirms that the Bondholder has been instructed to refrain from voting for the number of votes cast with this Voting Form.

# CHANGES TO THE TERMS AND CONDITIONS

## Schedule 3

[Insertions are shown as double underlined text in blue and deletions are shown as strikethrough text in red]

### 9. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Notwithstanding the above, no payment of Interest will be made on 26 December 2018. The Interest that should have been paid on 26 December 2018 will instead be paid on the Final Maturity Date or the date when the Bonds are redeemed in full, to those who are registered as Bondholders on the date falling five Business Days prior to the Final Maturity Date or the date on which the Bonds are redeemed in full (as applicable).
- (d) ~~(c)~~ Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (e) ~~(d)~~ If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Trustee or the CSD, in which case the Interest Rate shall apply instead.

### 10.7 Fee in connection with redemption

A fee amounting to 1.00 per cent of the Outstanding Nominal Amount as of 2 January 2019 shall be paid on each Bond *pro rata* on the Final Maturity Date or on the date on which the Bonds are redeemed in full, to those who are registered as Bondholders on the date falling five Business Days prior to the Final Maturity Date or the date on which the Bonds are redeemed in full (as applicable).