

**IDUN INDUSTRIER AB (PUBL)**  
**COMPANY DESCRIPTION**  
**FOR THE ADMISSION TO TRADING ON**  
**NASDAQ FIRST NORTH BOND MARKET OF**  
**MAXIMUM SEK 400,000,000**  
**SENIOR UNSECURED CALLABLE FLOATING RATE BONDS**  
**2019/2024**  
**ISIN: SE0013381662**

*Nasdaq First North Bond is an MTF, as defined in EU legislation (as implemented in national law), operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Bond are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations. The risk in investing in an issuer on Nasdaq First North Bond may therefore be higher than investing in an issuer on the main market. The Exchange approves the application for admission to trading.*

## IMPORTANT INFORMATION

This company description (the “**Company Description**”) relates to Idun Industrier AB (publ)’s (the “**Issuer**”) application for admission to trading on Nasdaq Stockholm First North Bond Market of the Senior Unsecured Callable Floating Rate Bonds (the “**Bonds**”), as described in the Terms and Conditions (as defined below) applicable to the Bonds. This Company Description does not constitute a prospectus and has not been registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) nor does it constitute an offer to buy or sell the Bonds.

In this Company Description, “**Idun**”, the “**Company**”, the “**Group**”, or the “**Group Companies**” depending on the context, refers to the Issuer, the group in which the Issuer is the parent company (which shall also include PamTot Holding AB (“**PamTot**”) and its subsidiaries) or a subsidiary of the group in which the Issuer is the parent company, and each such company is individually referred to as a “**Group Company**”.

### Notice to investors

On 26 November 2019 (the “**Issue Date**”) the Issuer issued the bond loan in the amount of SEK 200,000,000. The initial nominal amount of each bond is SEK 1,250,000 (the “**Nominal Amount**”) (the “**Bonds**”). The maximum nominal amount of the Bonds under the initial bond issue including any subsequent bond issue may not exceed SEK 400,000,000. This Company Description has been prepared for the listing of the loan constituted by the Bonds on Nasdaq Stockholm First North Bond Market.

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the “**Securities Act**”) or the securities laws of any state or other jurisdiction outside Sweden, and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws.

Each potential holder of the Bonds must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should:

- (a) 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 document or any applicable supplement;
- (b) 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;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (d) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be familiar with the scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### Forward-looking statements and market data

The Company Description contains certain information, including information on the Issuer’s plans and future financial or operating performance and other statements that express the Issuer’s management’s expectations or estimates of future performance, which constitutes forward-looking statements. The statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. The Issuer cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Issuer to be materially different from the Issuer’s estimated future results, performance or achievements expressed or implied by forward-looking statements.

**Definitions**

Words and expressions defined in the terms and conditions governing the Bonds (the “**Terms and Conditions**”), included in Section 8 (*Terms and Conditions*) below, shall have the same meaning when used in this Company Description, unless otherwise expressly stated or if the context requires otherwise.

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## **1 DESCRIPTION OF THE GROUP**

### **1.1 Information on the Issuer**

The Issuer's legal and commercial name is Idun Industrier AB (publ) and the Issuer is a Swedish public limited liability company (Sw. *publikt aktiebolag*) with Swedish Reg. No. 556924-7009. The registered office of the Issuer is Kungsgatan 37, SE-111 56 Stockholm, Sweden, and the Issuer's seat is located in Stockholm, Sweden.

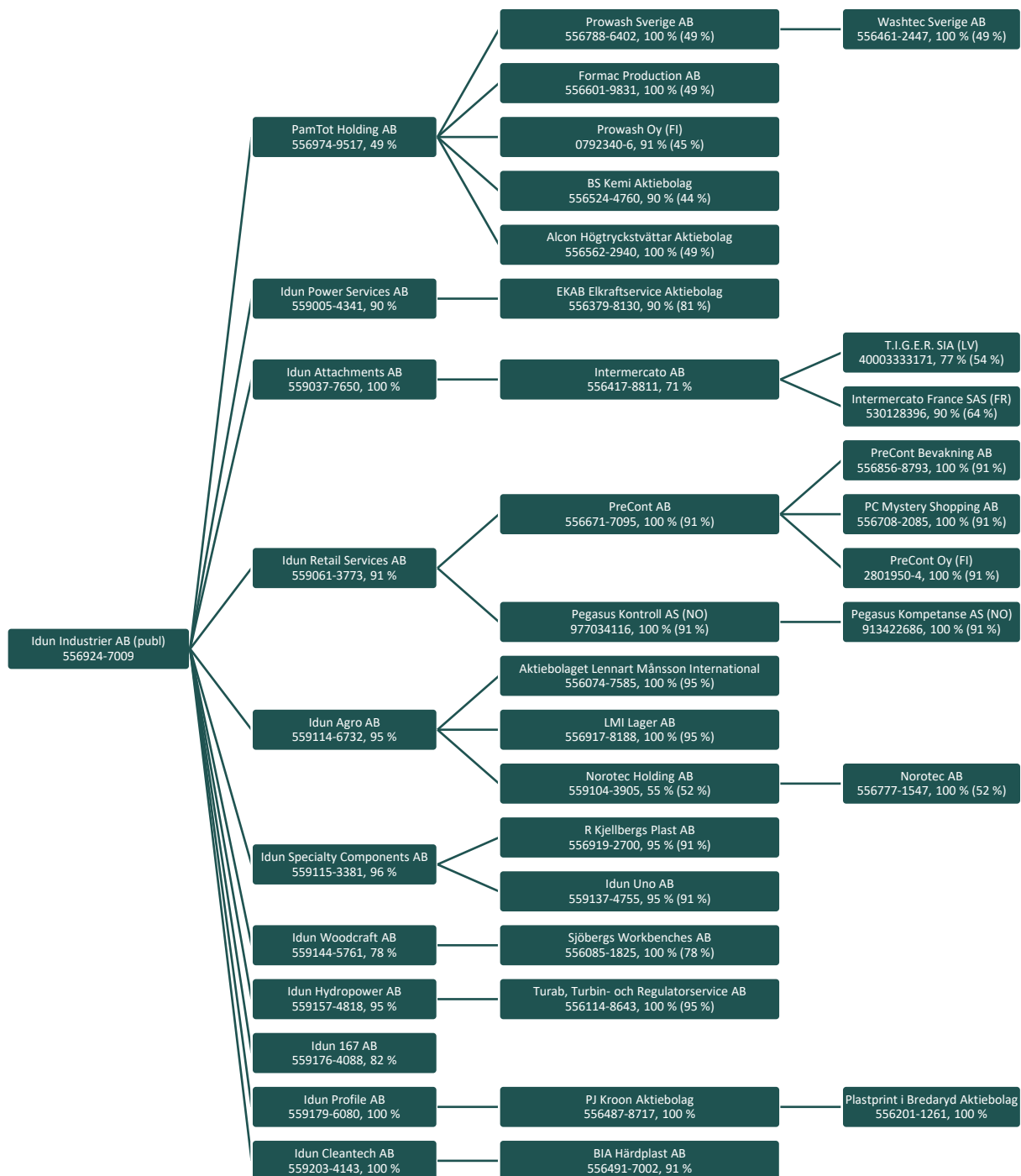
The Issuer was formed in Sweden on 23 January 2013 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 4 March 2013. The Issuer is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen* (2005:551)) and the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen* (1995:1554)).

Pursuant to the Issuer's articles of association, the object of the Issuer's business shall be to, directly or indirectly, own and manage movable property, primarily shares, and any other business incidental or related thereto. Further, the Issuer shall provide advisory services relating to finance, accounting, business and thereto related matters, as well as letting of premises.

### **1.2 Organization**

The Issuer is the parent company of the Group. The Issuer's operations mainly consist of long term investments in and management of small and mid-sized industrial companies in Sweden. As a consequence of the Group's operations being conducted in the subsidiaries, the Issuer's financial position and results, and in turn, its ability to fulfil its payment obligations under the Bonds, are dependent on the subsidiaries' ability to generate revenues and profits.

The Issuer is the parent company of the Group which consist of the Issuer and eleven directly held Group Companies (including PamTot), some of which together with their subsidiaries form sub-groups. In total, the Group consists of 39 Group Companies, operational in five countries (Sweden, Finland, Norway, Latvia and France). The Issuer's shareholding of directly and indirectly wholly owned and co-owned subsidiaries, as well as the joint-venture company PamTot, as at the date of this Company Description is outlined in the below table.



### 1.3 Business model and significant market

Idun is a Swedish industrial conglomerate, that invests in small and medium-sized quality companies generally with a high or very high market share in a niche industry or market. Idun aims to continue to develop the companies together with the management of each company. At present, Idun's geographical focus is primarily Sweden, although the majority of the Group Companies have customers internationally. Idun is a permanent owner partner and therefore does not make investments with the aim to divest the companies within a certain period. As of the day of this Company Description, Idun has eleven directly held Group Companies. Except for Idun 167 AB, such directly held Group Companies, which together with their subsidiaries form sub-groups, operate within the Group's two business areas Manufacturing and Service & Maintenance. The Group Companies within each sub-group are more or less completely independent of the Group Companies in other sub-groups except that they are directly

or indirectly owned by the same parent company. Idun 167 AB owns some residual assets pertaining to the Group's previous divestment of Täby Airmaintenance AB ("**TAM**") and does not have any employees or conducts any other operations.

The Group Companies within the different sub-group's are active in various industries and sectors and have a strong focus on a specific product category, customer group or industry. Some Group Companies are mainly active regionally, while other Group Companies have a significant proportion of their customers outside the country's borders. Below is a brief summary of the market for Idun's Group Companies, per sub-group and broken down by the business areas Manufacturing and Service & Maintenance.

<b>Business area – Manufacturing</b>					
<b>Group company</b>	<b>BIA</b>	<b>Intermercato</b>	<b>Kjellbergs</b>	<b>LMI/NoroTec</b>	<b>Plastprint</b>
<b>Products/Services</b>	Niched manufacturer and retailer of separator tanks in reinforced glass fiber thermosetting polymer.	Develops, produces and distributes load attachments, i.e. machine equipment used for gripping, sawing, cutting and weighing, with latest innovation patented.	Control panels for tailgate truck lifts used when loading and unloading goods.	Produces and sells small batches of fertilizer and micronutrient products for commercial green houses, agriculture, golf courses and wood products. Some patented formulations.	Produces and sells product media used as marketing material within certain segments of the market, for example ice scrapes and water bottles.

<b>Cont'd Manufacturing</b>			<b>Business area - Service &amp; Maintenance</b>		
<b>Group company</b>	<b>Sjöbergs</b>	<b>TURAB</b>	<b>EKAB</b>	<b>PamTot</b>	<b>Precont/Pegasus</b>
<b>Products/Services</b>	Producer of workbenches and cabinets to schools' woodwork rooms. Also sells internationally to distributors catering to the premium consumer segment.	Manufacturer of water turbines for renewable energy for small and medium sized hydro-power stations, most of which are located in the center and south of Sweden.	Specialized service and preventive maintenance of electricity facilities, mostly within high voltage.	Full-service provider for car wash, including equipment sales, financing, service and maintenance.	Conducts business within specialized security and review services for clients in Sweden and Norway.

#### **1.4 Competitive situation**

A key driver for Idun's growth is the acquisition of successful, highly specialized and high quality companies, in industries and with business models that are in line with Idun's investment criteria. The business is therefore affected by Idun's ability to find and execute such investments, the availability of potential targets, as well as the competition from other investors and potential buyers.

For example, competing investors also looking for companies in Idun's size segment include other industrial groups (both private and public), smaller private equity funds (mainly for the larger companies) and other private or other investors.

Furthermore, current Group Companies are active in diverse markets that are exposed to competition.

#### **1.5 Distinguishing characteristics of Idun's investment and governance model**

Idun similarly to certain stock market listed larger Sweden based peers derives a substantial part of its growth from corporate acquisitions. Other companies where acquisitions constitute an important growth path include companies such Indutrade, Lagercrantz, Lifco and Volati.

According to Idun's management, the combination of the following characteristics, while several are shared with others, distinguishes Idun from other groups that share similar or partly similar businesses:

##### **1.5.1 Understandable products, services and business models**

Idun would only consider investing into companies where Idun's group management feels it can fundamentally understand the products, services and business model of the company in question.

Without such understanding, it is difficult, or impossible, to be a relevant owner for the business in question, and the risk is higher that opportunities or risks are misjudged, preventing successful development and growth.

#### 1.5.2 *High market shares in stable industries*

Idun seeks to develop and invest in market leaders with a high or very high market share in particular small niche markets, that through a superior offering and high focus on a specialized product or service category, as well as size in relation to competitors, can remain market leaders over time, providing stability and predictability.

#### 1.5.3 *De-centralized decision making and operations*

In order to succeed in keeping great businesses great, and maximizing the possibility of continued growth and profitability in a growing and profitable company, Idun believes that its primary responsibility is to ensure that the right people and resources are in place in each Group Company. Group Companies should hence each have highly competent and experienced management teams, with the appropriate resources necessary to achieve the specific targets and goals for the company in question. Long-term business success is often determined in the daily decision making and operations, close to customers and suppliers, rather than on a board level, and this philosophy is applied throughout the Group.

#### 1.5.4 *Very strong interest alignment created through co-ownership*

All members of the Idun management team have the majority of their private funds invested in the Issuer's shares. Also, in nine out of the ten operational sub-groups, operating managers are co-owners in the "parent company" in each such sub-group. Idun firmly believes that interest alignment is fundamental to corporate success, and a strong advocate of the so-called "pilot school".

### 1.6 **Summary of Idun's history and development**

According to Idun's management, Idun was founded and exists mainly for two reasons. Firstly, the management, board and shareholders of Idun have a commitment to entrepreneurship and making small business grow and develop. Secondly, the management firmly believes that investing in small, well-managed high quality companies with high market shares in niche markets, is one of the wisest ways to invest capital over the long run.

Idun's investments have been carried out according to the following chronology:

2014	Investments in TAM and Prowash Sverige
2015	Investment in EKAB
2016	Investments in Intermercato and PreCont
2017	Investments in LMI and Kjellbergs
2018	Investments in Sjöbergs and TURAB, and divestment of TAM
2019	Investments in Plastprint and BIA

Idun's add-on acquisitions have been carried out according to the following chronology:

2017	PamTot invests in Formac and Prowash Oy, PreCont invests in Pegasus AS
2018	PamTot invests in BS Kemi
2019	PamTot invests in Alcon Högtryckstvättar, LMI (Idun Agro) invests in NoroTec

Until the issue of the Bonds, the Issuer has been financed solely by equity capital and loans from its shareholders. The Issuer's current shareholders include all members of group management employed on Issuer level (who control roughly 50% of the capital and 90% of the votes), as well as around 20



external investors. Around 95% of the external capital was contributed from individuals who have had a professional relationship with someone in the Idun management team for many years, often as a colleague. Other than the Bonds, Idun currently does not have any bank loans or third party borrowing at Issuer level.

Following the initial capitalization of Idun in 2013, two similar capital contributions have been made from essentially the same investors (winter 2015/2016 and winter 2017/2018). The shareholder loans are further described in more detail in Section 4.5. However, the shareholders loans have largely been repaid with the Net Proceeds from the Bonds. Capital raising has prior to the issue of the Bonds taken place without external support. All shareholders have bought shares at the same price on each occasion, including all shares purchased and owned by members of Idun's management team.

#### **1.7 Use of the proceeds and application for admission to trading**

The Issuer shall, as described in the Terms and Conditions, use the Net Proceeds for repayment of the Shareholder Loans to be Settled and general corporate purposes of the Group (including but not limited to acquisitions and capital expenditures).

The Issuer is applying for the Bonds to be admitted to trading on the Nasdaq First North Bond Market in Sweden. The Issuer thereby undertakes to comply with the Rules in force on the Nasdaq First North Bond Market at any point in time. According to the Terms and Conditions, the Issuer intends (without assuming any legal or contractual obligation) to procure that the Bonds are admitted to trading on Nasdaq First North Bond Market within thirty (30) days of the First Issue Date. The reasons for the board of director's decision to apply for admission to trading are to increase the marketability of the Bonds and to attain increased liquidity for investors wishing to purchase or sell Bonds.

## 2 RISK FACTORS

### 2.1 Background

Investing in the Bonds involve inherent risks. Potential investors should prior to making an investment decision carefully consider the risk factors deemed to be of importance for the Group and hence the future performance of the Bonds. Below is a description of the risk factors deemed to be relevant in relation to the Group, which include risks relating to the Group and/or the industries in which it operates as well as risks relating to the Bonds, some of which are outside the Group's control. The risk factors which are deemed by the Issuer to be the most substantial, based on the probability of their occurrence and the expected magnitude of their negative impact, are described first in the respective risk categories below. The materiality of each risk factor has been determined on the basis of a qualitative ordinal scale (low/medium/high) based on the probability of their occurrence and the expected magnitude of their negative impact on the Group's activities, financial position and results. The risk factors are disclosed below in accordance with such scale. According to the Group management's best assessment, there are no known risks which have a high probability of occurring and which, if they materialized, would also have a material negative impact on the Group's activities, financial position and results, hence no risk factor below is assessed as "high".

### 2.2 Risks related to the Group, its activities and lines of business

#### ***Market related risks***

##### Economic cycle

The activities of the Group are dependent on the demand of its products and services, which in turn is affected by customers' economic situation, which in turn often are dependent on the financial and political environment, as well as domestic and international macro-economic factors. On the one hand, the Group is reasonably diversified due to the fact that it consists of ten independent and from each other largely different businesses active on different markets, with different customers across varying geographies. The Group operates in sectors with very different drivers such as car wash (Sweden and Finland), micro nutrients for agriculture (primarily Sweden and Northern Europe), preventive maintenance on high voltage electrical installations (greater Stockholm area), and workbenches for woodworking (Sweden and the Nordics, as well as e.g. the US and Germany). Certain Group Companies such as EKAB Elkraftservice Aktiebolag and Aktiebolaget Lennart Månsson International ("LMI") have historically not been materially impacted by changes in the economic cycle.

On the other hand, a cycle downturn causes general demand to drop and affects many companies negatively with e.g. weaker demand across many sectors and often makes capital more difficult to raise. There is a risk that an economic cycle downturn negatively affects the Group's ability to make new investments if access to financing is more limited as a result of such downturn. There is also a risk that several of the Group Companies because of decreasing demand show decreasing turnover and profitability during an economic downturn. A cycle downturn is hence likely to have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Medium

##### Competition

The Issuer competes with other investors on sourcing and making new investments as well as add-on purchases. The Group Companies similarly face competition on their respective markets. Even though most of the Group Companies enjoy leading market positions on their respective markets, not seldom with a high or very high market share within a small niche, and in some cases substantial "entry barriers" created by e.g. patents, scale, or niche expertise, there is a risk that increased competition for the Group could lead to decreasing turnover and/or profitability. Also, to adapt the Group to changing competitive dynamics could require investments, price adjustments or other necessary changes. Hence, increased competition could have a significant negative impact on the Group's activities, financial position and results.

The risk-level rating of the risk related to increased competition is difficult to make. On the one hand, as set forth above, the majority of the Group Companies enjoy high, or very high market shares on many of their small specific niches. Such market leading positions have been achieved only after determined and focused work within the respective specific niche over a long period of time. Knowledge and expertise in such niches are often difficult to find elsewhere. Also, e.g. a higher geographic density and larger presence in a particular area makes it difficult for others to enter the market and catch up in terms of quality of offering, installed base/customer base and operational efficiency. This would speak in favor of rating the risk as "Low". On the other hand, attractive markets will generally attract the attention of competition. Also, particularly on a Group level when it comes to competition for investment opportunities, the increasing availability of capital has led to an increase in the number of potential buyers, and competition is not low.

On the balance, the managerial assessment of the risk for the Group as a whole is determined to be: Medium

#### Technological change

For the Group's products and services to remain competitive, they need to continuously be developed and adapted to e.g. changing demands, customer segments, regulations and new technological advances. There is a risk that new technology is not adapted soon enough by the Group, and that demand for the Group's products or services therefore decreases. New technology can also disrupt a whole business model or sector, providing entirely new ways of satisfying a customer need.

Event though the activities of the Group are not generally characterized by businesses that are subject to a high-level of technological change, there is a risk that competitors develop stronger offerings, and that technology used by the Group is surpassed by someone else, which if it materializes could have a negative impact the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

#### ***Strategic and operational risks***

##### Key personnel

The Group is dependent on key personnel in leadership positions. The Group's ability to retain such people depends on a number of factors, some being outside of its control. The competition for skilled colleagues is hard.

The Group's central management team is characterized by rather experienced and senior professionals with reasonably long tenures within each individual's area of expertise, in the size segment the Group is active. Also, skill sets are rather broad and overlapping, decreasing the vulnerability of the team to an individual departure.

The Group Companies vary in size, and generally, redundancy and complementary expertise increases with the size of the company, hence decreases vulnerability to individual departures as key competencies are found with several members of a management team. Given the niche nature of most businesses conducted by the Group Companies, key competence or long experience may be hard to find since few people have worked in the relevant niches.

There is a risk that key personnel resign from their positions to do something else, join competitors or start new businesses that may compete with the Group. In such situations, it could sometimes be difficult to find a replacement, particularly within areas of expertise that are highly specialized or rare, and particularly for a small Group Company active in a niche.

If the Group cannot find or retain key personnel or certain key competences, it could have a significant negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Medium

##### Corporate acquisitions

The Group's growth strategy encompasses growth through purchases of high quality, leading niche companies with a high market share. There is risk that the Group's ability to identify such companies and carry out acquisitions is reduced through e.g. increasing competition from other investors, including

private equity funds, corporates or individual investors (see risk factor “*Competition*” above). There is also a risk that purchases are made at a price that exceeds the market value of the business in question, that the purchase brings with it necessary costs of integration or development that are higher than expected, or that expected synergies from a purchase do not materialize.

Other acquisition related risks include that expectations for future development or growth are proven wrong, or efforts turn out being unsuccessful. Despite the Group always carrying through a rigorous due diligence investigation encompassing e.g. commercial, accounting and legal aspects of a target, there is a risk that important risks are missed or misjudged, or that uncertain or unlikely events materialize that worsen the outlook for a business.

Such unforeseen or misjudged acquisition-related risks can imply e.g. the need for further capital contributions from the Issuer, or that the profitability or cash flow from an investment is decreased or negative and can therefore, if such risks materialize, have a significant negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Medium

#### Supplier dependency

The activities of Prowash Sverige AB and Prowash Oy are dependent on supplies of wash equipment which are delivered under agreements regulating exclusivity, distribution and other matters between the respective Group Company and their key supplier. The cooperation between Prowash Sverige AB, Prowash Oy and their supplier is excellent and has been characterized by both enduring mutual commercial success and trust, as well as mutual dependency, but such relationship may change.

Most of the Group Companies are dependent on suppliers, in terms of performed services or that product specifications and quality requirements are met, as well as delivery times. A faulty or delayed component or service could imply increased costs, lower turnover or damaged customer relationships. If such risks materialize, it could have a significant negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Medium

#### Governance, control and decentralization

The Group's governance model is characterized by managerially separated Group Companies, active within different sectors, with decentralized decision making. According to Group management, business decisions generally are most adequately made by people close to the operations of a business, and close to e.g. customers and suppliers.

A cornerstone of the Group's investment philosophy is co-ownership. All members of the Group management team have a significant share of their personal wealth invested in shares in the Issuer. Also, on a Group Company level, managers are generally co-owners of “their” Group Companies. Managerial ownership stakes exist in nine out of ten Group Companies (often through the holding companies in each sub-group).

The Group Company where the Group has the lowest ownership share is PamTot Holding AB (“**PamTot Holding**”), where the Group's holding is 49% of the common shares. A shareholder's agreement is in place that stipulates co-decision power relating to key decisions split 50/50 with the co-owner. According to the shareholders' agreement, mutual consent is required as long as each party controls at least 40% of the shares. The agreement does not stipulate how any disagreement between the shareholders should be resolved when mutual consent is required, and the relationship and joint decision making is characterized by mutual dependency. Should the Group and the co-owner not be able to agree when mutual consent is required, this could negatively impact the activities of the business.

Decentralized decision making requires reporting and governance to be structured well and with the appropriate processes to ensure sufficient central control. Insufficient governance could lead to unprofitable or otherwise faulty decision making or inefficiencies, or e.g. increase the risk of fraud. If such governance risks would materialize, it could have a significant negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Medium

### Environmental and regulatory risks

Seven of the Group Companies have production or other activities that require reporting and/or environmental permits necessary by law. In addition, some of the Group Companies such as LMI and BIA Hårdplast AB ("**BIA**") have certain reporting obligations and other special requirements in relation to e.g. the handling of hazardous or otherwise sensitive chemical compounds, emissions limitations and waste handling.

The impact of the Group's activities on the environment primarily relates to emissions related to transportation, as well as the chemical composition of products and packaging. Incidents at the facilities may also cause environmental damage. Changes in applicable laws, regulations or stricter implementation of current regulations by authorities which imply new or stricter demands or otherwise changed business conditions could imply that further investments or other costly changes are required.

There is a risk that the Group's current and prior activities have caused contamination to ground or water, which would require the Group to carry through sanitation efforts. The property Åsen 2:2 which is owned by the Group Company R Kjellbergs Plast AB and where it operates, has in a mapping evaluation, fas 1-inventering, been classified as risk level 2 (high risk of contamination). The responsibility for remedial works generally rests with the operator that has contributed to the contamination, and if such culprit cannot be identified, with the owner of the property who at the time of the purchase knew or should have known about the contamination.

If one or several of such environmental and regulatory risks materialize, that could have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

### Customer dependency

The Group's operating businesses conduct activities through the Group's ten Group Companies active mostly within entirely different sectors, end markets, and with varying product and service offerings, often in varying geographies. On a general level, this causes the Group to have a highly diversified customer portfolio.

The largest single customer that contributes the largest share of the Group's total turnover belongs to one of the Group Companies being a subsidiary of PamTot Holding. Sales to that customer made up roughly 5% of the consolidated Group turnover for the financial year 2018. The second largest customer for the Group as a whole contributes roughly half of that.

For individual Group Companies and/or sub-groups of such, dependencies can however be large in relation to a specific Group Company and/or its sub-group. For example, as regards one Group Company, the largest customer makes up around 50% of the Group Company's annual sales. Dependency on a Group Company level can hence be large, and reductions in volumes or a complete customer loss could have a significant negative impact on the results and financial position of a single Group Company, particularly in the short term. Should one or several large customers become insolvent, choose another supplier or in other ways be negatively impacted, there is a risk that the Group Company in question could not replace such customer in a timely manner or in a way that compensates financially. If such risks materialize, it could have a negative impact on the Group's activities, results and financial position.

Managerial assessment of the risk for the Group as a whole: Low

### Production disturbances

A substantial share of the Group's activities are centered around production (the business area Manufacturing was the source of around 40% of the Group's turnover for the financial year ended 31 December 2018) and several of the Group Companies have production facilities in Sweden. One Group Company, Intermercato AB ("**Intermercato**"), has a production facility in Latvia. On a general level, production is mostly light.

A disturbance caused by e.g. fire, machine breakdown or strike in a production facility could cause a negative impact, e.g. implying that the Group cannot make timely deliveries to its customers. If such

production disturbance risks materialize, it could have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

#### Political decisions and influence from interest organizations or public opinion

Some of the Group Companies conduct business that is or could be subject to influence by political decisions, effects from influence by interest organizations or groups, or the public opinion. One example is the usage of plastics, which is a key raw material for e.g. Plastprint i Bredaryd Aktiebolag ("**Plastprint**") and BIA, where regulation on a national and EU level has been made stricter and is subject to public debate and opinion.

On the one hand, none of the Group Companies have any material production of single-use plastics products which have been a main area of increased regulation and public opinion. As an example, Plastprint makes water bottles that replace the need for single use containers, and that are generally filled with water from a tap, without the environmental disadvantages of bottled water in a single use container, and with the environmental benefits implied by not needing to transport water from the source through the supply chain to an end consumer in e.g. a gym.

Another example is the ongoing debate in Sweden and internationally in relation to energy sources and energy production. Views and opinions have varied over time, but currently there is clearly a general trend away from the use of fossil-based fuels for energy production. Such change strengthens the offering of Turab, Turbin- och Regulatorservice AB, the Group's maker of water turbines for emissions free electricity production.

On the other hand, other currents of opinion work in the opposite direction, some claiming that water should not be used for energy production as it disturbs the natural flows and the flora and fauna of the water stream in question. If political decisions or public opinion would turn in an for the Group unfavorable way, it could have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

#### IT-related risks

All Group Companies are to varying degrees dependent on well-functioning software and hardware solutions to operate. Even though soft- and hardware solutions are individual for each Group Company, and IT environments are separated from each other, there is a risk that one or several Group Companies are subject of e.g. an attack by hackers or other type of cyber-crime, or that a soft- or hardware failure could occur, which could have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

#### **Legal risks**

##### Intellectual property rights

The activities of the Group as a whole have no significant dependency on intellectual property rights. Also, no single Group Company has a high dependency on intellectual property rights. Patents are owned by e.g. Intermercato and Norotec AB, and other intellectual property rights are held by several other Group Companies.

The Issuer owns the trademark registration of its name Idun Industrier, but there is a risk that it could be hard to prohibit a third party to use other variations of the name, which potentially could risk being mixed up with the activities of the Group, and imply a reputational risk.

There is also the risk that competitors could challenge the Group's intellectual property rights, try to circumvent a patent, or use a protected intellectual property right unlawfully in a damaging way.

If such intellectual property-related risks would materialize, it could have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

## Tax

The Group conducts its business primarily in Sweden, but Group Companies conduct business also in Norway, Finland and Latvia, as well as an immaterial subsidiary in France. The Group's activities and transactions between the different Group Companies are carried through in accordance with tax legislation, tax agreements and prevailing regulation and requirements for the specific jurisdictions. There is however a risk that the Group's interpretation of applicable tax legislation, agreements and regulation, or the local administrative practice in specific areas is challenged or is later judged incorrect. Also, laws and regulations could be changed, as well as their interpretation, possibly with retroactive effect. The Group's tax situation could change with time because of this. If such tax-related risks materialize, it could have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

## Insurance

The Group could incur costs due to insufficient insurance cover in relation to e.g. products, property, business disruption, transport, environmental damage, or personal injury. Assessment of necessary insurances is made on Issuer level, as well as in each Group Company for the specific operating business risks for that Group Company. There is a risk that an event happens which is not covered by insurance, or sufficient coverage, which could have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

## **Financial risks**

### Risks related to acquisition financing

For most but not all of the Group's acquisitions, a share of the purchase price is paid by raising acquisition borrowing from a bank on Group Company (the holding company in such sub-group) level. Such bank loans are not guaranteed by the Issuer but sized and priced on a stand-alone basis given the needs and situation for the specific Group Company.

There is a risk that lenders in the future show less interest in lending, or require higher interest rates, which could have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

### Counterparty risk

As at June 30, 2019, the accounts receivable on a consolidated Group level amounted to SEK 92,586,000. Even though the Group overall has a diversified customer base, given the spread of activities and customers across 10 Group Companies, there is a risk that one or several counterparties cannot pay amounts owed to the Group constitutes. If such risk materializes, it could have a negative impact on the Group's activities, results and financial position.

Managerial assessment of the risk for the Group as a whole: Low

### Liquidity risk

The Group's cash and cash equivalents amounted to SEK 79,900,000 as at June 30, 2019. On the same date, there were outstanding undrawn amounts on various available short-term revolving credit facilities totaling around SEK 45,000,000. Should such available liquid funds and/or credit lines be insufficient to cover payments due at a certain point in time, this could imply increased costs or a need to raise further debt or equity capital for the Group. Such risk could hence if it materializes have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

### Exchange rate risk

The Group calls the risk that asset and/or liability values, and future cash flows and/or results, vary with changing exchange rates on the global markets exchange rate risk. The activities of the Group are largely carried out in Sweden and invoices are denominated in SEK. Products and services are mainly sold in

Sweden, but with material exceptions such as e.g. the Group Company Intermercato, where around 75% of its approximately SEK 100,000,000 annual turnover stemming from exports to roughly 30 countries internationally. Export destinations for the Group include mainly countries within the EU, but also the US, Norway, Chile, Russia, Australia, New Zealand and other countries. The Group has subsidiaries in Finland, Norway and Latvia, as well as an immaterial subsidiary in France.

A large share of total purchases is from suppliers in either Sweden or other EU area countries, but the Group also has suppliers in e.g. Asia and other parts of the world.

Exchange rate movements can impact the competitiveness of the Group's products and services. Asset and liability values in SEK can fluctuate with the movement of exchange rates. When the SEK values of assets and liabilities of international subsidiaries are recorded, there is a translation effect stemming from exchange rate movements which may impact the Group's financials. For these reasons, risks related to variations in exchange rates may if they materialize have a negative impact on the Group's activities, financial position and results.

Managerial assessment of the risk for the Group as a whole: Low

#### Interest rate risks

The Group is subject of interest rate risks due to borrowing from credit institutions, borrowing on the capital markets or other types of variable interest rate borrowing. Interest rates generally vary over time, and as most bank and capital market lending is at variable rates, an interest rate risk appears. Interest rates depend on e.g. prevailing market rates, the margins of the lender, and the operating and financial results of the Group, which may all vary over time. Risks related to changes in interest rates may, if such risks materialize, have a negative impact on the Group's activities, financial position and result.

Managerial assessment of the risk for the Group as a whole: Low

### **2.3 Risks factors related to the Bonds**

#### Repayment and refinancing risk

The ability of the Issuer to repay the Bonds in full at the maturity date or obtain refinancing is dependent on its financial position and the conditions in the debt and equity capital markets at the time such refinancing is required or desirable, including the exercise of a voluntary redemption or mandatory repurchase of Bonds. In the event the Issuer is unable to refinance the Bonds or other outstanding debt, or if such financing can only be obtained on unfavourable terms, this could have a significant adverse effect on the Issuer's ability to repay the principal of the Bonds at maturity or upon an early redemption or repurchase of Bonds.

Managerial assessment of the risk for the Group as a whole: Medium

#### Unsecured obligations

The Bonds constitute unsecured debt obligations of the Issuer. If the Issuer will be subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the Bondholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been paid in full. Further, following prioritised creditors receiving payment in full, the Bondholders will have an unsecured claim against the Issuer for the amounts due under or in respect of the Bonds, which means that the Bondholders normally would receive payment pro rata with other unsecured creditors. Although the Issuer considers the probability of the above risk occurring to be low, if such insolvency proceedings were to occur it would have an adverse material effect on the investor in the Bonds and there is a risk that the investor may lose all or part of its investment should there be prioritised or other unsecured creditors with claims on the Issuer.

Managerial assessment of the risk for the Group as a whole: Medium

#### Outstanding shareholder debt

After the Bond Issue the Issuer will settle outstanding debt to shareholders. However, certain debentures held by shareholders, amounting to approximately SEK 21,848,450, will remain outstanding. According to the debenture terms, the debentures rank junior in right and priority of payment to any unsubordinated



creditors and, in addition, the debentures are subordinated in relation to the Bonds. However, the agent and the Bondholders will lack recourse against the relevant shareholders if the debenture terms are not complied with as regards the subordination or amended to the effect of upgrading the priority of the debentures above the Bonds, i.e. the Issuer acting in breach of the terms and conditions of the Bonds. This entails a risk that, in case of insolvency of the Issuer, and the Issuer acting in breach of the terms and conditions of the Bonds, debenture holders will be able to recover their claims on the Issuer before the Bondholders. If such risk materialise, this could have a negative effect on the Bondholders' ability to recover their investments.

Managerial assessment of the risk for the Group as a whole: Low

***Risks related to the admission of the Bonds to trading***

Liquidity risks and secondary market

Subject to the final terms and conditions of the Bonds, the Issuer intends to procure that the initial Bonds are admitted to trading on the corporate bond list of Nasdaq First North within 30 calendar days from the first issue date, and there is an obligation to list the initial Bonds on Nasdaq First North or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Market Place, in each case within 12 months after the first issue date. There is a risk that the Bonds will not be admitted to trading in time, or at all. If the Issuer fails to procure listing in time, and such listing failure is not waived by the Bondholders in accordance with the terms and conditions of the Bonds, each Bondholder have the right to request that all, or some only, of its Bonds shall be repurchased. If the Issuer fails to procure that the initial Bonds are admitted to trading in time, Bondholders' holding Bonds on an investment savings account (Sw. *Investeringssparkonto*) will no longer be able to hold the Bonds on such account, thus affecting such bondholder's tax situation. If the Issuer fails to procure listing in time, or at all, there is a risk that a liquid market for trading in the Bonds will not exist.

Managerial assessment of the risk for the Group as a whole: Medium

### 3 FINANCIAL INFORMATION

#### 3.1 Financial reports

The annual audited consolidated financial statements of the Group for the financial years 2017 and 2018 and the quarterly interim unaudited consolidated financial statements for Q3 2019 of the Group are incorporated hereto by reference.

#### 3.2 Financial development and material changes

There has been a significant increase in the Group's net sales comparing 2017, 2018 and the period covering January to September 2019. Most of the increase comes from company acquisitions, but it also comes from organic growth from current Group Companies. During the period January to September 2019 the Issuer made four acquisitions; Plastprint i Bredaryd Aktiebolag; Alcon Högtrycksvättar Aktiebolag; BIA Hårdplast AB and NoroTec AB. Further information regarding the acquisitions are stated in the quarterly interim unaudited consolidated financial statements for Q3 2019. All acquisitions are expected to strengthen Idun's financial position and profit. Other than these four acquisitions, there have been no material changes between the periods covered by the individual historical financial statements incorporated hereto by reference.

##### Profit and loss statement

SEK, thousand	Jan-Sep 2019	Jan-Sep 2018	Jan-Dec 2018	Jan-Dec 2017
Net sales	492,791	435,251	602,655	453,111
EBITDA	51,732	55,512	81,178	62,432
EBITDA-margin (%)	10,5%	12,8%	13,5%	13,8%
EBITA	39,031	44,177	64,614	49,480
EBITA-margin (%)	7,9%	10,1%	10,7%	10,9%

##### Balance Sheet

SEK, thousand	30 Sep 2019	30 Sep 2018	31 Dec 2018	31 Dec 2017
Fixed assets	475,478	356,830	349,352	308,434
Current assets	226,012	221,430	182,666	167,827
Cash and bank balances	66,640	96,425	138,129	69,813
<b>Total assets</b>	<b>768,130</b>	<b>674,685</b>	<b>670,147</b>	<b>546,074</b>
Equity	193,447	176,493	177,559	123,286
Provisions	53,225	58,264	51,789	51,220
Long-term liabilities	341,816	296,370	287,519	216,771
Current liabilities	179,642	143,558	153,280	154,797
<b>Total equity and liabilities</b>	<b>768,130</b>	<b>674,685</b>	<b>670,147</b>	<b>546,074</b>

#### 3.3 Relevant accounting laws

See Section 7 (*Documents Incorporated by Reference*) below.

## 4 LEGAL AND VARIOUS QUESTIONS

### 4.1 The board of directors of the Issuer

Pursuant to the articles of association of Idun, the board of directors shall consist of no less than three and no more than seven board members with no less than zero and more than seven deputy board members, appointed by the general meeting. The board of directors currently consists of five ordinary board members, including the chairman of the board of directors, with no deputy board members, all of whom were appointed by the annual general meeting held on 24 May 2019 for the period until the end of the annual general meeting to be held in 2020.

NAME	POSITION	MEMBER SINCE
Adam Samuelsson	Working Chairman	2013
Gunnar Tindberg	Board member	2013
Ludwig Andreen	Board member	2013
Christina Fagerberg	Board member	2018
Ulf Rosberg	Board member	2013

### 4.2 Management of the Issuer

The management of the Issuer and of the Group consists of Jonas Sandström Estmalm, Henrik Mella, Oskar Samuelsson, Karl-Emil Engström and Adam Samuelsson.

NAME	POSITION	Employed in the current position since (total time with the Company in brackets)
Jonas Sandström Estmalm	Head of Investments	2019 (2014)
Henrik Mella	Chief Operating Officer	2017
Oskar Samuelsson	Chief Financial Officer	2018
Karl-Emil Engström	Chief Executive Officer	2019
Adam Samuelsson	Working Chairman	2019 (2013)

#### 4.3 Information regarding the members of the board of directors and the management

*Board of directors*

##### **Adam Samuelsson**

Working Chairman since 2019, previously Chief Executive Officer and board member since 2013

**Born:** 1972

**Education:** Harvard Business School, MBA and Stockholm School of Economics, MSc

**Other positions:** Chairman of EKAB Elkraftservice Aktiebolag, Idun Power Services, Idun 167 AB and PamTot. Board member of Intermercato AB, Industriutvecklingsfonden Fond 1 AB and Idun Retail Services AB. Deputy board member of Idun Specialty Components AB, Idun Hydropower AB and Idun Agro AB.

**Previous positions in the past five years:** CEO and board member of the Issuer, Chairman of Intermercato AB, Täby Airmaintenance Aktiebolag, and Idun Retail Services AB. Board member of Bufab AB (publ), Idun Power Services, Idun Aviation Services AB, Bulten AB (publ), and Bult Finnveden Aktiebolag (BUFAB).

**Shareholding:** 3,310,240 series A shares (through Fiskgjusen S.à r.l.)

##### **Gunnar Tindberg**

Board member since 2019, previously Chairman since 2013

**Born:** 1938

**Education:** Engineer

**Other positions:** CEO and board member of GT InduTechnologies AB

**Previous positions in the past five years:** Chairman of the Issuer, board member of PamTot, Bufab AB (publ), Intermercato AB and BUFAB.

**Shareholding:** 69,000 series B shares, warrants to subscribe for 11,000 series B shares (through GT InduTechnologies AB)

##### **Ludwig Andreen**

Board member since 2013

**Born:** 1985

**Education:** Lund University, MSc

**Other positions:** Board member of Luliem Capital AB, Aristotracks AB, deputy board member of Beachroad Music Production AB and Aristo Capital AG.

**Previous positions in the past five years:** -

**Shareholding:** 1,029,290 series B shares (through Aristo Capital AG and Luliem Capital AB)

##### **Christina Fagerberg**

Board member since 2018

**Born:** 1973

**Education:** Stockholm School of Economics, MSc

**Other positions:** Chairman of Fagerberg & Dellby AB, Fagerberg & Dellby Fond I AB and Fagerberg och Dellby Fond I Invest AB. Board member of Västanolmen Aktiebolag and Trädgårdsholmen AB, and deputy board member of JulHan Aktiebolag.

**Previous positions in the past five years:** Board member of Yrkesakademin AB, YA-bolagen AB, BIG BAG Group AB, BIG BAG AB, Enskede Transport & Logistik AB, Hagströmska Holding AB, Hagströmska Gymnasiet AB, Kopparakademin AB, Vitrio AB and Malakit AB.

**Shareholding:** 26,000 series B shares, holds warrants to subscribe for 12,000 series B shares

**Ulf Rosberg**

Board member since 2013

**Born:** 1965

**Education:** Stockholm School of Economics, MSc

**Other positions:** Chairman of Payair Technologies AB and Neonode Inc. Board member of Siaro Investment Holding AB, Flornipan AB, Ottawa Invest AB, UMR Invest AB, BVN Holding AB and Hafa Bathroom Group Aktiebolag.

**Previous positions in the past five years:** Board member of Bufab AB (publ), Reynolds Holding AB, BUFAB, Bulten AB (publ) and Payair Technologies AB.

**Shareholding:** 662,050 series B shares (through UMR Invest AB)

*Management*

**Jonas Sandström Estmalm**

Head of Investments since 2018, previously Chief Financial Officer since 2014

**Born:** 1984

**Education:** University of Gothenburg, School of Business, Economics and Law, BSc

**Other positions:** Chairman of Plastprint i Bredaryd Aktiebolag, R Kjellbergs Plast AB, Idun Uno AB and Idun Specialty Components AB. Board member of Idun 167 AB, EKAB Elkraftservice Aktiebolag and Idun Woodcraft AB. Deputy board member of Idun Attachments AB, Idun Power Services AB, Idun Hydropower AB, Idun Agro AB and Idun Retail Services AB. CEO and board member of Sandmalm AB, associate of Bond Sandström Handelsbolag, and external signatory of Intermercato AB.

**Previous positions in the past five years:** Chief Financial Officer of the Issuer, Chairman of Sandmalm AB, board member of Idun Hydropower AB and Täby Airmaintenance Aktiebolag, and deputy board member of Idun Aviation Services AB and Idun Woodcraft AB.

**Shareholding:** 268,060 series B shares (through Sandmalm AB)

**Henrik Mella**

Chief Operating Officer since 2017

**Born:** 1973

**Education:** Stockholm School of Economics, MSc

**Other positions:** Chairman of Intermercato AB, Idun Agro AB, Idun Woodcraft AB, Norotec Holding AB, Norotec AB and Idun Hydropower AB. Board member of Almali Affärsutveckling AB, R Kjellbergs Plast AB, Idun Uno AB, Idun Specialty Components AB, Idun Cleantech and BIA Hårdplast AB, and deputy board member of Idun Retail Services AB.

**Previous positions in the past five years:** Board member of Intermercato, CEO of Cale Group AB and business unit manager and member of the management team of ASSA AB.

**Shareholding:** 167,730 series B shares, warrants to subscribe for 30,000 series B shares (through Almali Affärsutveckling AB)

**Oskar Samuelsson**

Chief Financial Officer since 2018

**Born:** 1988

**Education:** University of Gothenburg, School of Business, Economics and Law, MSc

**Other positions:** Chairman of Nils Hafstens Stiftelse and PreCont AB. Board member of Idun 167 AB, Idun Attachments AB, PC Mystery Shopping AB, Turab, Turbin- och Regulatorservice AB, Idun Profile AB, PreCont Bevakning AB, LMI Lager AB, Idun Power Services AB, Idun Hydropower AB, Idun Agro AB, Idun Cleantech and Idun Specialty Components AB, and deputy board member of Idun Retail Services AB, PJ Kroon Aktiebolag and PJ Laser Marking AB.

**Previous positions in the past five years:** CFO of Geomek Stockholms Geomekaniska AB and Vesper Group AB. Second Deputy Chairman of Riksförbundet Sveriges 4H.

**Shareholding:** 35,000 series B shares, warrants to subscribe for 45,000 series B shares

#### **Karl-Emil Engström**

Chief Executive Officer since 2019

**Born:** 1983

**Education:** Stockholm University, MSc

**Other positions:** Chairman of Idun Cleantech AB, BIA Hårdplast AB and Dalmex AB and board member of KEMIL AB.

**Previous positions in the past five years:** Director of MVI Advisors AB, MVI Fund I AB, MVI Equity AB, board member of Lakers Group AB, TeleLarm Stockholm AB, Säkerhetsresurs i Stockholm AB, Punctum Lås & Larm AB, Pumpsnabben AB and J.Lohall AB (previous Pumpgruppen AB). Interim CFO, board member and deputy board member of Great Security Holding AB.

**Shareholding:** 10,000 series B shares, warrants to subscribe for 130,000 series B shares

#### **4.4 Information on bankruptcy, liquidation, fraud and similar**

- 4.4.1 None of the board members or members of management has been involved in any bankruptcy, liquidation or receivership while serving as a board member or as a member of management in the past five years. None of the board members or members of management has been found guilty in any fraud-related case in the past five years.
- 4.4.2 None of the board members or members of management has, over the past five years, been the object of official allegations or sanctions by a supervisory or legislative authority, nor has any of them been prohibited by a court of law from serving as a board member or as a member of management, or in any other way been prohibited from conducting commercial activity.

#### **4.5 Related party transactions**

- 4.5.1 Idun has on three different occasions, during 2013, 2015/2016 and 2017/2018, raised subordinated shareholder loans. All of the subordinated shareholder loans of series 2013 and 2015/2016 will be fully repaid shortly after the First Issue Date in accordance with the purpose of the Bonds. Some of the shareholder loans of series 2018 will also be repaid with the Net Proceeds in accordance with the Terms and Conditions. After such repayment, the Shareholder Loans to Remain amount to in total SEK 21,848,450. The Shareholder Loans to Remain are held by Ludwig Andreen (through Luliem Capital AB) and Ulf Rosberg (through UMR Invest AB). Such loans fall due after the Final Maturity Date and are subordinated to the Bonds.
- 4.5.2 In addition to the above described subordinated shareholder loans, Idun signed on February 17, 2017 a consultancy agreement with Almali Affärsutveckling AB, a wholly owned company by the Chief Operating Officer, Henrik Mella, regarding Henrik Mella's assignment as consultant for the Company. The assignment agreement, which was terminated in December, 2018, included advisory services and as compensation for the assignment, a fee of SEK 10,000 (excluding VAT) per business day Henrik Mella performed duties according to the agreement. Almali Affärsutveckling AB received SEK 450,000 in compensation for services under the agreement for 2018, corresponding to 0.1% of the Group's net sales for 2018. Furthermore, the board member Christina Fagerberg signed a consultancy agreement with the Company regarding performance of due diligence work in connection with assistance in relation to one of Idun's completed acquisitions. For the work, a fee of SEK 100,000 in total was paid, corresponding to 0.0% of the Group's net sales for 2018.

4.5.3 Other than the above, there are no transactions with persons discharging managerial responsibilities in the Issuer, board members, affiliates to such persons, major owners or another company within the same group as the Issuer.

4.5.4 All board members, except Adam Samuelsson, are independent in relation to the Company and its management. Further, all board members are independent in relation to the Issuer's majority shareholder, except for Adam Samuelsson and Ludwig Andreen.

#### 4.6 Ownership structure and shareholding in the Issuer

The table below lists the shareholders of the Issuer as of October 30, 2019.

Owner	Series A	Series B	Capital	Votes
Fiskgjusen S.à r.l. <sup>1</sup>	3,310,240		42.0%	87.9%
Aristo Capital AG <sup>2</sup>		809,510	10.3%	2.1%
UMR Invest AB <sup>3</sup>		662,050	8.4%	1.8%
Mindustri AB		630,560	8.0%	1.7%
Omar Alghanim		630,540	8.0%	1.7%
Sandmalm AB <sup>4</sup>		268,060	3.4%	0.7%
Luliem Capital AB <sup>5</sup>		219,780	2.8%	0.6%
Grax Investments AB		204,720	2.6%	0.5%
Almali Affärsutveckling AB <sup>6</sup>		167,730	2.1%	0.4%
Helle Husted-Andersen		157,640	2.0%	0.4%
<b>Ten largest shareholders</b>	<b>3,310,240</b>	<b>3,750,590</b>	<b>89.7%</b>	<b>97.8%</b>
<b>Residual</b>	<b>0</b>	<b>811,590</b>	<b>10.3%</b>	<b>2.2%</b>
<b>Total</b>	<b>3,310,240</b>	<b>4,562,180</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Fiskgjusen S.à r.l. is owned 100% by Adam Samuelsson (member of the board and management),<sup>2</sup> Aristo Capital AG is owned 33,33% by Ludwig Andreen (board member), <sup>3</sup> UMR Invest AB is owned 100% by Ulf Rosberg (board member), <sup>4</sup> Sandmalm AB is owned 100% by Jonas Sandström Estmalm (member of management), <sup>5</sup> Luliem Capital AB is owned 33,33% by Ludwig Andreen (board member), <sup>6</sup> Almali Affärsutveckling AB is owned 100% by Henrik Mella (member of management).

#### 4.7 Annual meeting and publication of financial reports

The Issuer's financial year is 1 January to 31 December. The first annual meeting following the application for trading of the Bonds will therefore take place within six months from 1 January 2020.

The first publication of a financial report following the application for trading of the Bonds will be 27 March 2020, of the quarterly interim unaudited financial statements for Q4 2019.

#### 4.8 Material contracts

Neither the Issuer nor any other Group Company is party to any material contract outside the ordinary course of business, which could result in such Group Company having a right or an obligation that could materially affect the Issuer's ability to meet its obligations towards the Bondholders.

#### 4.9 Other relevant information

Neither the Issuer nor any other Group Company is, or have in the recent past, been involved in any dispute or claim which may have or have had, significant negative effects on the Issuer and/or the Group's financial position or profitability, and the Issuer's management is not aware of any other

circumstances which may have or have in the recent past had, significant negative effects on the Issuer's and/or the Group's financial position or profitability.

**4.10 Identity of any liquidity provider**

The Issuer does not have a liquidity provider.



## **5 THE LIABILITY STATEMENT FROM THE BOARD OF DIRECTORS**

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.

Stockholm, 26 November 2019

**Idun Industrier AB (publ)**

*The Board of Directors*

## **6 DESCRIPTION OF THE BONDS**

This Section contains a general and broad description of the Bonds. The complete Terms and Conditions for the Bonds can be found in Section **Fel! Hittar inte referensskälla.** (*Terms and Conditions*) below.

### **6.1 Nominal Amount, denomination**

The Bonds are denominated in Swedish kronor (SEK) and the Nominal Amount of each Bond is SEK 1,250,000. The total aggregate Nominal Amount of the Bonds outstanding after the Initial Bond Issue is SEK 200,000,000. All initial Bonds were issued on the First Issue Date, 26 November 2019, on a fully paid basis at an issue price of 100.00 % of the Nominal Amount. The Bonds have been allocated ISIN SE0013381662.

### **6.2 Subsequent Bond Issue**

The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under the Terms and Conditions until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 400,000,000, provided that that the Incurrence Test is met (calculated *pro forma* including the Subsequent Bond Issue) and that the Issuer provides the Agent with a Compliance Certificate. Any Subsequent Bond Issue shall be issued subject to the same Terms and Conditions as the Initial Bond Issue. The price of Subsequent Bonds may be set at the Nominal Amount, at a discount or at a higher price than the Nominal Amount.

### **6.3 Ranking of the Bonds**

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them, except for obligations mandatorily preferred by law applying to companies generally.

### **6.4 Purpose of the Bonds**

The Net Proceeds shall be used for repayment of the Shareholder Loans to be Settled and general corporate purposes of the Group (including, but not limited to acquisitions and capital expenditures). The Net Proceeds of any Subsequent Bond Issue shall be applied towards general corporate purposes of the Group (including, but not limited to acquisitions and capital expenditures).

### **6.5 Interest**

The Bonds shall carry interest from (but excluding) the First Issue Date and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and until (and including) the Redemption Date. The Interest Rate is a floating rate of STIBOR (3 months) + 6.50 % per annum, with quarterly interest payments in arrears. If the Interest Rate is less than zero, it shall be deemed to be zero. Interest will be payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 31 March 2020 and the last Interest Payment Date being the Final Redemption Date (or any final redemption date prior thereto)). 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).

### **6.6 The right to receive payments under the Bonds**

Payment of the Nominal Amount and Interest shall be made to the person who is registered in the securities register (Sw. *skuldbok*) as Bondholder on the Record Date prior to each Interest Payment Date.

## **6.7 Decisions by Bondholders**

The Bonds entitle Bondholders representing at least 10.00 % to request a decision of the Bondholders. Such decisions are rendered by way of a Bondholders' Meeting or a Written Procedure, as decided by the Agent. Valid decisions require the consent of Bondholders representing more than 50.00 % of the Adjusted Nominal Amount for which Bondholders are voting, and in respect of certain matters a qualified majority of at least two thirds ( $66\frac{2}{3}$ ) % of the Adjusted Nominal Amount for which Bondholders are voting is required. Quorum exists if the Bondholders present represent at least 20.00 % of the Adjusted Nominal Amount.

## **6.8 Final Redemption Date**

On the Final Redemption Date, being 26 February 2024, each Bond shall be redeemed by the Issuer at a price equal to 100.00 % of the Nominal Amount together with accrued but unpaid Interest, unless previously redeemed in accordance with clause 11.3 "*Early voluntary redemption by the Issuer (call option)*" or clause 11.4 "*Mandatory repurchase due to a Change of Control or De-listing (put option)*", or terminated in accordance with clause 15 "*Termination of the Bonds*" in the Terms and Conditions.

## **6.9 Early voluntary redemption by the Issuer (call option)**

The Issuer may redeem all, but not only some, of the Bonds in full (A) on any Business Day falling on or after the date falling 36 months after the First Issue Date up to (but excluding) the Final Redemption Date, at a price equal to 100.50 % of the Nominal Amount together with accrued but unpaid interest; or (B) on any Business Day falling on or after the date falling 45 months after the First Issue Date up to (but excluding) the Final Redemption Date, at a price equal to 100.00 % of the Nominal Amount together with accrued but unpaid interest, provided that such early redemption is financed in full or in part by way of the Issuer issuing Market Loan(s).

## **6.10 Mandatory repurchase due to a Change of Control Event or De-listing (put option)**

Upon a Change of Control or a De-listing occurring, each Bondholder shall have the right to request that all or only some of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 % of the Nominal Amount (plus accrued and unpaid interest) during a period of 30 calendar days following the notice of the relevant event (exercise period). The settlement date of the put option shall occur within 20 Business Days after the ending of the exercise period.

## **6.11 Time-bar**

The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void three years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Bondholders' right to receive payment has been time-barred and has become void.

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

## **6.12 Transferability**

The Bonds are freely transferable but the 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 to, e.g., its nationality, its residency, its registered address, its place(s) of business). Each Bondholder must ensure compliance with local laws and regulations applicable at their own cost and expense.

### **6.13 The Agent**

The Bondholders will be represented by the Agent, which initially will be Nordic Trustee & Agency AB (publ), with corporate registration number 556882-1879, and address P.O. Box 7329 SE-103 90 Stockholm, Sweden. The Agent is acting as agent for the Bondholders in relation to the Bonds, and, if relevant, any other matter within in authority or duty in accordance with the Terms and Conditions. Even without a separate authorization from the Bondholders and without having to obtain any Bondholder's consent (if not required to do so under the Terms and Conditions), the Agent, or a person appointed by it, is entitled to represent the Bondholders in every matter concerning the Bonds and the Terms and Conditions subject to the terms of the Terms and Conditions. The Agent is authorized to act on behalf of the Bondholders whether or not in court or before an executive authority (including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Bonds). Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance to the Agent's satisfaction), as the Agent deems necessary for the purpose of carrying out its duties under the Terms and Conditions. The Agent is under no obligation to represent a Bondholder which does not comply with such request of the Agent. An agreement has been entered into between the Agent and the Issuer regarding, e.g. the remuneration payable to the Agent. The rights and obligations of the Agent are set forth in the Terms and Conditions.

### **6.14 Rating**

The Issuer or the Bonds have not been assigned any credit ratings.

### **6.15 Listing**

The Issuer intends (without assuming any legal or contractual obligation) to procure that the Bonds are admitted to trading on Nasdaq First North within thirty (30) days of the First Issue Date.

### **6.16 Securities register and financial institution**

The Bonds are connected to the account-based system of Euroclear Sweden. Holdings of the Bonds are registered on behalf of the Bondholders on a securities account and no physical Bonds have, or will be, issued. The Bondholder's financial rights such as payments of the Nominal Amount and Interest will be made by Euroclear Sweden.

### **6.17 Assets backing the Bonds**

The Bonds are not asset-backed securities.

### **6.18 Governing law**

The Terms and Conditions shall be governed by and construed in accordance with Swedish law.

## **7 DOCUMENTS INCORPORATED BY REFERENCE**

The following information has been incorporated into this Company Description by reference and should be read as part of this Company Description:

[Annual Report for the financial year 2017](#)

[Annual Report for the financial year 2018](#)

[Quarterly interim financial report for Q3 2019](#)

The Issuer's Annual Reports for 2017 and 2018 and the Quarterly interim financial report for Q3 2019 have been prepared in accordance with Swedish Annual Report Act (Sw. *Årsredovisningslagen* (1995:554)) and BFNAR 2012:1 (*Årsredovisning och koncernredovisning (K3)*). With the exception of the Annual Reports, no information in this Company Description has been audited or reviewed by the Issuer's auditor.

**8 TERMS AND CONDITIONS**

**TERMS AND CONDITIONS FOR  
IDUN INDUSTRIER AB (PUBL)  
MAXIMUM SEK 400,000,000  
SENIOR UNSECURED CALLABLE FLOATING RATE BONDS  
2019/2024**

**ISIN: SE0013381662**

First Issue Date: 26 November 2019

*No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required to inform themselves about, and to observe, such restrictions.*

*The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.*

## PRIVACY STATEMENT

Each of the Issuer, the Agent and the Issuing Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other Persons nominated to act on behalf of the Bondholders pursuant to these Terms and Conditions (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders is primarily collected from the registry kept by the CSD. The personal data relating to other Persons is primarily collected directly from such Persons.

The personal data collected will be processed by the Issuer, the Agent and the Issuing Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Bonds and payments under the Bonds;
- (c) to enable the Bondholders to exercise their rights under these Terms and Conditions; and
- (d) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to paragraphs (a) to (c) above is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to paragraph (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent (as applicable). Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer, the Agent or the Issuing Agent (as applicable). In addition, data subjects have the right to:

- (a) request that personal data is rectified or erased;
- (b) object to specific processing;
- (c) request that the processing be restricted; and
- (d) receive personal data provided by themselves in machine-readable format.

Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's, the Agent's and the Issuing Agent's addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites [www.idun.com](http://www.idun.com), [www.nordictrustee.com](http://www.nordictrustee.com) and [www.nordea.se](http://www.nordea.se).



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**TERMS AND CONDITIONS FOR  
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MAXIMUM SEK 400,000,000  
SENIOR UNSECURED CALLABLE FLOATING RATE BONDS  
2019/2024  
ISIN: SE0013381662**

**1 DEFINITIONS AND CONSTRUCTION**

**1.1 Definitions**

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

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

“**Accounting Principles**” means the generally accepted accounting principles, standards and practices in Sweden as applied by the Issuer in preparing its annual consolidated financial statements (including international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC).

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the aggregate Nominal Amount of all Bonds owned by a Group Company or an Affiliate of a Group Company, irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreement**” means:

- (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than one hundred and twenty (120) calendar days after the date of supply; or
- (b) any other trade credit incurred in the ordinary course of business.

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

“**Agency Agreement**” means the agreement entered into between the Agent and the Issuer on or prior to the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent.

“**Agent**” means the Bondholders’ agent under these Terms and Conditions from time to time; initially Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden).

“**Basket Increase**” has the meaning ascribed to it in Clause 13.3.1.

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions.

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 18 (*Bondholders’ Meeting*).

“**Business Day**” means a day in Sweden other than a public holiday. For the purpose of this definition, Saturdays, Sundays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall be deemed to be public holidays.

“**Business Day Convention**” means 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.

“**Cash and Cash Equivalents**” means cash and cash equivalents of the Group or the Operating Group (as the context may require) in accordance with the Accounting Principles as set forth in the latest Financial Statement.

“**Central Securities Depositories and Financial Instruments Accounts Act**” means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

“**Change of Control**” means the occurrence of an event or series of events whereby one or more Persons (other than any Main Shareholder) acting together, acquire control over the Issuer and where “control” means (i) acquiring or controlling, directly or indirectly, more than 50.00 per cent. of the votes of the Issuer, or (ii) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate, in form and substance reasonably satisfactory to the Agent, signed by the Issuer certifying that so far as it is aware no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it and, if provided in connection with the issuance or incurrence of Financial Indebtedness or a Permitted Payment being made, in each case which requires that the Incurrence Test is met, that the Incurrence Test is met as per the Incurrence Test Date, including calculations and figures in respect of the Incurrence Test, calculated *pro forma* including the relevant Financial Indebtedness or Permitted Payment (as applicable).

“**Consolidated EBITDA**” means, in respect of the Reference Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Statements:

- (a) *before deducting* any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) *before deducting* any Net Finance Charges;
- (c) *before taking into account* any Transaction Costs and any transaction costs relating to any acquisition of any additional target company;
- (d) *not including* any accrued interest owing to any Group Company;
- (e) *before taking into account* any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (f) *after adding back or deducting*, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (g) *before deducting* the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests; and
- (h) *after adding back* any amount attributable to the amortisation, depreciation or depletion of assets of members of the Group.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time; initially Euroclear Sweden AB (reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden).

**“De-listing”** means:

- (a) following an Equity Listing Event, a situation where:
  - (i) the shares of the Issuer cease to be listed on the relevant Market Place; or
  - (ii) trading of the Issuer’s listed ordinary shares on the relevant Market Place is suspended for a period of twenty (20) consecutive Business Days; or
- (b) once the Bonds are admitted to trading on the corporate bond list of Nasdaq First North or any other Market Place, that the Bonds are no longer admitted to trading or listed thereon (however, taking into account the rules and regulations (as amended from time to time) of the relevant Market Place, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

**“Event of Default”** means an event or circumstance specified as such in Clause 15 (*Termination of the Bonds*).

**“Equity Listing Event”** means an initial public offering of the common shares in the Issuer, after which such shares shall be quoted, listed, traded or otherwise admitted to trading on a Market Place.

**“Existing Debt”** means all existing Financial Indebtedness of the Operating Group as set out in the Financial Statements for the financial period ended 30 June 2019, excluding the Shareholder Loans to be Settled and the Shareholder Loans to Remain.

**“Final Redemption Date”** means 26 February 2024.

**“Finance Charges”** means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Financial Statements (calculated on a consolidated basis) without taking into account any Transaction Costs and/or any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

**“Finance Documents”** means the Terms and Conditions and any other document designated by the Issuer and the Agent as a Finance Document.

**“Finance Lease”** means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability.

**“Financial Indebtedness”** means any indebtedness in respect of:

- (a) monies borrowed or raised, including under any bank financing or Market Loans;
- (b) the amount of any liability in respect of any Finance Lease;
- (c) receivables sold or discounted (other than on a non-recourse basis);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account provided that if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above.

**“Financial Statements”** means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs (a) and (b) of Clause 12.1 (*Financial Statements*).

**“First Issue Date”** means 26 November 2019 or such other date as is agreed between the Issuing Agent and the Issuer.

**“Force Majeure Event”** has the meaning set forth in Clause 27.1.

**“Group”** means the Issuer and each of its Subsidiaries from time to time.

**“Group Company”** means the Issuer or any of its Subsidiaries.

**“Increase Certificate”** has the meaning ascribed to it in Clause 13.3.2.

**“Incurrence Test”** means the Issuer Incurrence Test or Subsidiary Incurrence Test (as the context may require).

**“Incurrence Test Date”** has the meaning set forth in Clause 13.1 (*Incurrence Test*).

**“Initial Bond”** means any Bond issued on the First Issue Date.

**“Initial Bond Issue”** has the meaning set forth in Clause 3.1.

**“Interest”** means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

**“Interest Payment Date”** means 31 March, 30 June, 30 September and 31 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 31 March 2020 (long first interest period) and the last Interest Payment Date being the Final Redemption Date (short last interest period) (or any final Redemption Date prior thereto)).

**“Interest Period”** means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

**“Interest Rate”** means a floating rate of STIBOR (3 months) + 6.50 per cent. *per annum*, provided that if the Interest Rate is less than zero, it shall be deemed to be zero.

**“Issue Date”** means the First Issue Date or any date when Subsequent Bonds are issued pursuant to these Terms and Conditions, as agreed between the Issuing Agent and the Issuer.

**“Issuer”** means Idun Industrier AB (publ) (reg. no. 556924-7009), Kungsgatan 37, SE-111 56, Stockholm, Sweden.

**“Issuer Incurrence Test”** means the incurrence test described in Clause 13.1.2.

**“Issuing Agent”** means Nordea Bank Abp, reg. no. 2858394-9, Satamaradankatu 5. FI-00020 Nordea, Finland, acting through Nordea Bank Abp, filial i Sverige, reg. no. 516411-1683, Smålandsgatan 17, SE-105 71 Stockholm, Sweden.

**“Leverage Ratio (Group)”** means the ratio of Senior Total Net Debt to Consolidated EBITDA.

**“Leverage Ratio (Subsidiaries)”** means the ratio of Subsidiary Net Debt to Consolidated EBITDA.

**“Main Shareholder”** means Adam Samuelsson (personal identity no. 720817-1475) or his spouse or any of their direct heirs, by way of direct or indirect ownership of shares, and their respective Affiliates.

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

**"Market Place"** means any Regulated Market, any MTF or any recognised unregulated market place.

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

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

**"Material Group Company"** means:

- (a) the Issuer; and
- (b) any Operating Subsidiary with earnings before interest, taxes, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) representing five (5) per cent. or more of Consolidated EBITDA, calculated on a consolidated basis according to the latest annual audited Financial Report.

**"MTF"** means any multilateral trading facility as defined in the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as amended.

**"Net Finance Charges"** means, for the Reference Period, the Finance Charges according to the latest consolidated Financial Statements, after deducting any interest payable for the relevant period to any Group Company and any interest income relating to Cash and Cash Equivalents of the Group.

**"Net Proceeds"** means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue after deduction has been made for any Transaction Costs.

**"Nominal Amount"** has the meaning set forth in Clause 3.1.

**"Operating Group"** means each member of the Group save for the Issuer.

**"Operating Subsidiary"** means each member of the Operating Group.

**"PamTot Group"** means PamTot Holding AB (reg. no. 556974-9517) and any legal entity which, in relation to PamTot Holding AB, meets any of the criteria set out in paragraph (a) of the definition of "Subsidiary".

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

- (a) incurred under the Finance Documents (other than as a result of a Subsequent Bond Issue);
- (b) up until the date falling twenty (20) Business Days after the First Issue Date, the Shareholder Loans to be Settled;
- (c) incurred under overdraft or revolving credit facilities for the Issuer in an aggregate principal amount not exceeding SEK 20,000,000 (or its equivalent in any other currency or currencies) at any time (a **"Super Senior RCF"**);
- (d) which is incurred by the Issuer as a result of a Subsequent Bond Issue and meets the Issuer Incurrence Test on a *pro forma* basis;
- (e) which is incurred by the Issuer and:
  - (i) is unsecured and ranks *pari passu* or is subordinated to the obligations of the Issuer under the Finance Documents; and
  - (ii) meets the Issuer Incurrence Test on a *pro forma* basis; and
  - (iii) has a final maturity date or a final redemption date and, if applicable, early redemption dates or instalment dates, which in each case occur after the Final Redemption Date;
- (f) incurred by the Issuer under any Shareholder Loan;
- (g) incurred by the Issuer under the Shareholder Loans to Remain, provided that they meet the requirements set out in paragraphs (b) and (c) of the definition of "Shareholder Loan";
- (h) incurred by an Operating Subsidiary under any loan from another Operating Subsidiary which is a Subsidiary or holding company of such Operating Subsidiary;

- (i) incurred by an Operating Subsidiary under any loan from the Issuer;
- (j) incurred by an Operating Subsidiary under the Existing Debt;
- (k) incurred by an Operating Subsidiary under any Financial Indebtedness which refinances Existing Debt or Subsequent Acquisition Debt, provided that the outstanding nominal amount of the Existing Debt or Subsequent Acquisition Debt (as applicable) does not increase as a result of the refinancing;
- (l) incurred by an Operating Subsidiary from a Person which is not a member of the Group or a shareholder of the Group and meets the Subsidiary Incurrence Test on a *pro forma* basis;
- (m) under Finance Leases by any member of the PamTot Group entered into in the ordinary course of business;
- (n) incurred in the ordinary course of trade of a Group Company under an Advance Purchase Agreement;
- (o) arising under a derivative transaction entered into by a Group Company in connection with protection against or benefit from fluctuation in any rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under the Finance Documents (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes) (a "**Permitted Treasury Transaction**");
- (p) arising under any guarantee of Permitted Treasury Transactions;
- (q) arising under any contractual non-interest bearing earn-out obligations relating to acquisitions made by the Group, the amount of which are determined on basis of and represent a proportion of the future performance of the relevant target entity, regardless of how such earn-out payments are accounted for in the Accounting Principles;
- (r) arising under any guarantee granted by the Issuer in respect of any vendor loan relating to any acquisition made by another member of the Group;
- (s) arising under any pension and tax liabilities incurred by the Group in the ordinary course of business;
- (t) related to any agreements under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises provided that such Financial Indebtedness is incurred in the ordinary course of such Group Company's business;
- (u) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds for the purpose of securing, *inter alia*, the redemption of the Bonds; and
- (v) any other Financial Indebtedness not otherwise permitted by the preceding paragraphs incurred by an Operating Subsidiary in the ordinary course of its business (excluding, for the avoidance of doubt, monies borrowed or raised, including Market Loans), the outstanding principal amount of which does not exceed SEK 20,000,000 (or its equivalent in any other currency or currencies) (the "**Permitted Financial Indebtedness Basket**") *plus* any Basket Increase, in aggregate for the Group at any time.

**"Permitted Loans"** means:

- (a) any loan to another member of the Group which constitutes Permitted Financial Indebtedness;
- (b) any trade credit extended or issued by an Operating Subsidiary to its customers in the ordinary course of its business;
- (c) deposits with banks or other financial institutions and investments in securities for cash management purposes; and
- (d) any other loan not permitted by the preceding paragraphs granted or issued by an Operating Subsidiary in the ordinary course of its business so long as the aggregate amount of the Financial Indebtedness under any such loans does not exceed SEK 5,000,000 (or its equivalent in any

other currency or currencies) (the “**Permitted Loans Basket**”) *plus* any Basket Increase, at any time.

“**Permitted Payment**” means a payment (whether directly or indirectly) made:

- (a) prior to an Equity Listing Event, by the Issuer of interest accrued under the Shareholder Loans to Remain up to an aggregate amount per calendar year not exceeding SEK 3,000,000;
- (b) following an Equity Listing Event, by the Issuer:
  - (i) of interest accrued under the Shareholder Loans to Remain or any Shareholder Loan; or
  - (ii) to its shareholders,

provided that:

- (A) the Issuer Incurrence Test (calculated *pro forma* including the relevant payment) is met; and
- (B) the aggregate amount of such payments in any financial year (including the relevant payment) does not exceed ten (10) per cent. of the Group’s net profit (adjusted for goodwill) for the previous financial year in accordance with the annual consolidated Financial Statements; or
- (c) by a Group Company (save for the Issuer) to its immediate shareholders, provided that if such payment is made by a Group Company which is not directly or indirectly wholly-owned by the Issuer, such payment is made on a *pro rata* basis,

in each case further provided that:

- (i) such payment is permitted by law; and
- (ii) no Event of Default is continuing or would result from such payment.

“**Permitted Security**” means any Security:

- (a) provided pursuant to the Finance Documents;
- (b) provided for the Super Senior RCF;
- (c) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including cash pool arrangements and Permitted Treasury Transactions (including any credit support document);
- (d) provided in relation to any agreement under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises provided such lease constitutes Permitted Financial Indebtedness;
- (e) over any asset leased under Finance Leases which constitute Permitted Financial Indebtedness;
- (f) provided by an Operating Subsidiary for any Financial Indebtedness incurred by it or any other Operating Subsidiary which is its Subsidiary or holding company which is Permitted Financial Indebtedness (but, for the avoidance of doubt, not for any Permitted Financial Indebtedness incurred by any other member of the Operating Group);
- (g) arising by operation of law or in the ordinary course of business of the Group (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (h) provided in the form of a pledge over an escrow account to which the proceeds from a refinancing of the Bonds are to be transferred or agreed to be provided for the benefit of the financing providers in relation to a refinancing of the Bonds in full (a “**Refinancing**”);
- (i) created for the benefit of the financing providers in relation to a Refinancing, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full; or



- (j) securing indebtedness the outstanding principal amount of which (when aggregated with the outstanding principal amount of any other indebtedness which has the benefit of security given by any member of the Group other than any permitted by the preceding paragraphs) does not exceed SEK 10,000,000 (or its equivalent in any other currency or currencies) (the “**Permitted Security Basket**”) *plus* any Basket Increase, at any time.

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

“**Quotation Day**” means, in relation to (i) an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date), or (ii) any other period for which an Interest Rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5th) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Bondholders is to be made under Clause 16 (*Distribution of proceeds*), (iv) the date of a Bondholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and repurchase of the Bonds*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December each year.

“**Reference Period**” means each period of twelve (12) consecutive calendar months ending on a Reference Date.

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

“**Relevant Basket**” has the meaning ascribed to it in Clause 13.3.1.

“**Restricted Payment**” has the meaning set forth in Clause 14.1.

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

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

“**SEK**” means the lawful currency of Sweden for the time being.

“**Senior Total Net Debt**” means the aggregate interest bearing Financial Indebtedness of the Group:

- (a) *excluding* any Financial Indebtedness borrowed from any Group Company;
- (b) *excluding* guarantees and similar arrangements;
- (c) *excluding* the Shareholder Loans to Remain;
- (d) *excluding* any Shareholder Loans; and
- (e) *less* Cash and Cash Equivalents of the Group.

“**Shareholder Loan**” means any loan made by a shareholder of the Issuer to the Issuer, provided that such loan:

- (a) is subordinated to the obligations of the Issuer under the Finance Documents pursuant to a subordination agreement;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date; and

- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Redemption Date, save for any payment of interest which is a Permitted Payment.

**“Shareholder Loans to be Settled”** means the shareholder loans to the Issuer:

- (a) in the aggregate nominal amount of SEK 33,428,880, *plus* accrued interest as per 30 November 2019 of SEK 2,439,850, with maturity in September 2022;
- (b) in the aggregate nominal amount of SEK 40,774,428, *plus* accrued interest as per 30 November 2019 of SEK 2,975,975, with maturity in December 2024;
- (c) in the aggregate nominal amount of SEK 5,437,890, *plus* accrued interest as per 30 November 2019 of SEK 322,474, with maturity in March 2025; and
- (d) in the aggregate nominal amount of SEK 23,687,950, *plus* accrued interest as per 30 November 2019 of SEK 521,652, constituted by the Issuer’s debentures of series 2018 with maturity in January 2027 but excluding the Shareholder Loans to Remain.

**“Shareholder Loans to Remain”** means the Issuer’s debentures of series 2018 in the aggregate nominal amount of SEK 21,848,450 with maturity in January 2027.

**“STIBOR”** means:

- (a) the applicable percentage rate per annum displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11:00 a.m. on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period and (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period, as of or around 11:00 a.m. on the Quotation Day; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no rate is available for the relevant Interest Period pursuant to paragraphs (a) and (b) above and no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered in the Stockholm interbank market for the relevant period.

**“Sole Bookrunner”** means Nordea Bank Abp (reg. no. 2858394-9, Satamaradankatu 5. FI-00020 Nordea, Finland).

**“Subsequent Acquisition Debt”** means:

- (a) Financial Indebtedness of the Operating Group incurred in accordance with paragraph (k) of the definition of “Permitted Financial Indebtedness” to finance the Operating Group’s acquisition of any Person after the First Issue Date; and
- (b) any Financial Indebtedness of any Person acquired by a member of the Group after the First Issue Date which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased in contemplation of, or since, that acquisition.

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

**“Subsequent Bond Issue”** means any issue of Subsequent Bonds.

**“Subsidiary”** means:

- (a) in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly,

- (i) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners;
  - (ii) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners;
  - (iii) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body; or
  - (iv) exercises control as determined in accordance with the Accounting Principles; and
- (b) each member of the PamTot Group.

**“Subsidiary Incurrence Test”** means the incurrence test described in Clause 13.1.4.

**“Subsidiary Net Debt”** means the aggregate interest bearing Financial Indebtedness of the Group less the aggregate interest bearing Financial Indebtedness of the Issuer:

- (a) *excluding* any Financial Indebtedness borrowed from any Group Company;
- (b) *excluding* guarantees and similar arrangements; and
- (c) *less* Cash and Cash Equivalents of the Operating Group.

**“Transaction Costs”** means all fees, costs and expenses incurred by a Group Company (including any fees payable by the Issuer to the Sole Bookrunner or any other Person for the services provided in relation to the placement and issuance of the Bonds) in connection with

- (a) the Initial Bond Issue or a Subsequent Bond Issue;
- (b) the listing of the Bonds (including Subsequent Bonds) on the corporate bond list of Nasdaq First North or any other Market Place; and
- (c) an Equity Listing Event.

**“Written Procedure”** means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 19 (*Written Procedure*).

## 1.2 Construction

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) **“assets”** includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a **“regulation”** includes any regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) a provision of law is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

1.2.4 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.5 No delay or omission of the Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

- 1.2.6 The selling and the distribution restrictions and the privacy statement contained in this document before the table of contents do not form part of the Terms and Conditions and may be updated without the consent of the Bondholders and the Agent (save for the privacy statement insofar it relates to the Agent).

## **2 STATUS OF THE BONDS**

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them, except for obligations mandatorily preferred by law applying to companies generally.

## **3 THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS**

- 3.1 The aggregate amount of the bond loan will be an amount of up to SEK 400,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,250,000 or full multiples thereof (the "**Nominal Amount**"). The total nominal amount of the Initial Bonds is SEK 200,000,000 ("**Initial Bond Issue**").
- 3.2 All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 3.3 The ISIN for the Bonds is SE0013381662.
- 3.4 The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,250,000.
- 3.5 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 400,000,000, always provided that the Incurrence Test (calculated *pro forma* including such issue) is met and that the Issuer provides the Agent with a Compliance Certificate. Any Subsequent Bond shall, for the avoidance of doubt, be issued subject to these Terms and Conditions and the ISIN, the Interest Rate, the Nominal Amount and the final maturity applicable to the Initial Bonds shall apply also to Subsequent Bonds. The price of Subsequent Bonds may be set at the Nominal Amount or at a discount or at a higher price than the Nominal Amount.
- 3.6 The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.7 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions.
- 3.8 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Bondholder confirms these Terms and Conditions.

## **4 USE OF PROCEEDS**

- 4.1 The Net Proceeds of the Initial Bond Issue shall be used applied towards:
- (a) repayment of the Shareholder Loans to be Settled (including accrued interest as per 30 November 2019); and
  - (b) general corporate purposes of the Group (including, but not limited to acquisitions and capital expenditures).
- 4.2 The Net Proceeds of any Subsequent Bond Issue shall be applied towards general corporate purposes of the Group (including, but not limited to acquisitions and capital expenditures).

## **5 CONDITIONS FOR DISBURSEMENT**

### **5.1 Conditions Precedent for the Initial Bond Issue**

- 5.1.1 The Issuer shall provide to the Agent, no later than 2:00 p.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), the following:
- (a) copies of the constitutional documents of the Issuer;

a copy of a resolution of the board of directors of the Issuer approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;

- (b) a duly executed copy of the Terms and Conditions;
- (c) a duly executed copy of the Agency Agreement; and
- (d) an agreed form Compliance Certificate.

5.1.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in accordance with Clause 20 (*Amendments and Waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 2:00 p.m. one (1) Business Day prior to the First Issue Date (or later, if the Issuing Agent so agrees), provided however that the Issuing Agent and the Issuer may agree to postpone the First Issue Date.

5.1.3 Following receipt by the Issuing Agent of the confirmations in accordance with Clause 5.1.2 the Issuing Agent shall settle the issuance of the Initial Bonds and pay the Net Proceeds of the Initial Bond Issue to the Issuer on the First Issue Date.

## **5.2 Conditions Precedent for a Subsequent Bond Issue**

5.2.1 The Issuer shall provide to the Agent, no later than 2:00 p.m. four (4) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Bonds, the following:

- (a) the articles of association and certificate of incorporation of the Issuer;
- (b) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith; and
- (c) a certificate from the Issuer confirming that:
  - (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing or from the Subsequent Bond Issue; and
  - (ii) the Incurrence Test (calculated *pro forma* including such Subsequent Bond Issue) is met.

5.2.2 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.2.1 have been fulfilled (or amended or waived in accordance with Clause 20 (*Amendments and Waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 2:00 p.m. three (3) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees), provided however that the Issuing Agent and the Issuer may agree to postpone the relevant Issue Date.

5.2.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.2.2, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds of such Subsequent Bond Issue to the Issuer on the relevant Issue Date.

## **5.3 Responsibility for documentation**

5.3.1 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for this purpose.

5.3.2 Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.

## **6 THE BONDS AND TRANSFERABILITY**

- 6.1 Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.
- 6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.
- 6.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.
- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, e.g., its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.
- 6.6 For the avoidance of doubt and notwithstanding the above, a Bondholder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Bondholder hereunder in each case until such allegations have been resolved.

## **7 BONDS IN BOOK-ENTRY FORM**

- 7.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Central Securities Depositories and Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The debt register (Sw. *skuldbok*) kept by the CSD from time to time shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds at the relevant point of time.
- 7.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Central Securities Depositories and Financial Instruments Accounts Act.
- 7.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 7.4 For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 7.6 At the request of the Agent, the Issuer shall promptly obtain information from the debt register kept by the CSD in respect of the Bonds and provide it to the Agent.
- 7.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their

rights in accordance with these Terms and Conditions and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

## **8 RIGHT TO ACT ON BEHALF OF A BONDHOLDER**

- 8.1 If any Person other than a Bondholder wishes to exercise any rights under these Terms and Conditions, it must obtain a power of attorney (or, if applicable, a coherent chain of powers of attorney), a certificate from the authorised nominee or other sufficient proof of authorisation for such Person.
- 8.2 A Bondholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under these Terms and Conditions in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- 8.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clauses 8.1 and 8.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.
- 8.4 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **9 PAYMENTS IN RESPECT OF THE BONDS**

- 9.1 Any payment or repayment under these Terms and Conditions, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Bondholder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Bondholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 10.4 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

## **10 INTEREST**

- 10.1 Subject to Clause 10.5, the Initial Bonds will bear Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to and including the relevant Redemption Date. Any Subsequent Bond will, however, 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.

- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 10.3 Interest shall be calculated on the basis of the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 10.4 If the Issuer fails to pay any amount payable by it under these Terms and Conditions 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 200 basis points higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.
- 10.5 Notwithstanding any postponement of the First Issue Date pursuant to 5.1.2, Interest shall accrue from (but excluding) the original First Issue Date not taking any such postponement into account.

## **11 REDEMPTION AND REPURCHASE OF THE BONDS**

### **11.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date (or, to the extent such day is not a Business Day and if permitted under the CSD's applicable regulations, on the Business Day following from an application of the Business Day Convention, and otherwise on the first following Business Day) with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest.

### **11.2 The Group Companies' purchase of Bonds**

Each Group Company may, subject to applicable law, at any time and at any price purchase Bonds. Any Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a redemption of the Bonds in full.

### **11.3 Early voluntary redemption by the Issuer (call option)**

11.3.1 The Issuer may redeem all, but not only some, of the Bonds in full:

- (a) on any Business Day falling on or after the date falling thirty-six (36) months after the First Issue Date up to (but excluding) the Final Redemption Date, at a price equal to 100.50 per cent. of the Nominal Amount together with accrued but unpaid Interest; or
- (b) on any Business Day falling on or after the date falling forty-five (45) months after the First Issue Date up to (but excluding) the Final Redemption Date, at a price equal to the Nominal Amount together with accrued but unpaid Interest, provided that such early redemption is financed in part or in full by way of the Issuer issuing Market Loan(s).

11.3.2 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date and is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent to be fulfilled prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.

### **11.4 Mandatory repurchase due to a Change of Control or De-listing (put option)**

11.4.1 Upon a Change of Control or a De-listing occurring, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following a notice from the Issuer of the Change of Control or De-listing (as applicable) pursuant to paragraph (a)(i) of Clause 12.3 (*Information: miscellaneous*). The 30 calendar days' period may not start earlier than upon the occurrence of the Change of Control or De-listing.



- 11.4.2 The notice from the Issuer pursuant to paragraph (a)(i) of Clause 12.3 (*Information: miscellaneous*) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (a)(i) of Clause 12.3 (*Information: miscellaneous*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.4.1.
- 11.4.3 The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 11.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 11.4 by virtue of the conflict.
- 11.4.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.4, if a third party in connection with the occurrence of a Change of Control or De-listing, as applicable, offers to purchase all Bonds in the manner and on the terms set out in this Clause 11.4 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.4, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 11.4.5 Any Bonds repurchased by the Issuer pursuant to this Clause 11.4 may at the Issuer's discretion be retained, sold or cancelled in accordance with Clause 11.2.

## **12 INFORMATION UNDERTAKINGS**

### **12.1 Financial Statements**

The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than four (4) months after the expiry of each financial year, from and including, and in respect of, the financial year ending 31 December 2019;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors, to the Agent and on its website not later than:
  - (i) in respect of the interim period ending on 31 December each year, three (3) months after the expiry of each such interim period; and
  - (ii) in respect of the interim periods ending on 31 March, 30 June and 30 September each year, two (2) months after the expiry of each such interim period,

from and including, and in respect of, the interim period ending 31 December 2019;

- (c) together with each of its quarterly interim accounts, deliver a certificate to the Agent confirming that the Shareholder Loans to Remain meet the requirements set out in paragraphs (b) and (c) of the definition of "Shareholder Loan"; and
- (d) prepare the Financial Statements in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq First North or any other Market Place on which the Issuer's securities from time to time are listed (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

## **12.2 Compliance Certificate**

12.2.1 The Issuer shall issue a Compliance Certificate to the Agent signed by the Issuer:

- (a) in connection with the incurrence of Financial Indebtedness by a Group Company, the issuance of Subsequent Bonds or any other Market Loan or the making of a Permitted Payment, in each case which requires that an Incurrence Test is met and in each case including the relevant incurrence or payment on a *pro forma* basis; and
- (b) at the Agent's reasonable request, within fifteen (15) calendar days from such request;

12.2.2 In each Compliance Certificate, the Issuer shall:

- (a) so far as it is aware, certify that no Event of Default is continuing or, if it is aware that such event is continuing, specify the event and steps, if any, being taken to remedy it; and
- (b) if provided in connection with the issuance or incurrence of Financial Indebtedness or a Restricted Payment being made, in each case which requires that the Incurrence Test is met, certify that the Incurrence Test is met as per the Incurrence Test Date, including calculations and figures in respect of the Incurrence Test, calculated *pro forma* including the relevant Financial Indebtedness or Restricted Payment (as applicable).

## **12.3 Information: miscellaneous**

The Issuer shall:

- (a) promptly notify:
  - (i) the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control or a De-listing; and
  - (ii) the Agent upon becoming aware of the occurrence of an Event of Default,

and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice;

- (b) keep the latest version of the Terms and Conditions (including any Increase Certificate and any other documents amending the Terms and Conditions) available on its website; and
- (c) upon request by the Agent, provide the Agent with any information relating to a transaction made pursuant to Clause 14.8 (*Disposals of assets*), which the Agent deems necessary (acting reasonably).

## **13 FINANCIAL COVENANTS**

### **13.1 Incurrence Tests**

#### *Issuer Incurrence Test*

13.1.1 The Issuer Incurrence Test shall be applied in connection with:

- (a) a Permitted Payment by the Issuer which requires the Issuer Incurrence Test to be met; or
- (b) the incurrence of Financial Indebtedness by the Issuer which requires that the Issuer Incurrence Test is met.

13.1.2 The Issuer Incurrence Test is met if:

- (a) the Leverage Ratio (Group) is equal to or lower than 3.50:1.00; and
- (b) no Event of Default is continuing or would occur upon the relevant incurrence, distribution or payment (as applicable),

in each case calculated in accordance with Clause 13.2 (*Calculation principles*).

#### *Subsidiary Incurrence Test*

13.1.3 The Subsidiary Incurrence Test shall be applied in connection with incurrence of Financial Indebtedness by a Subsidiary of the Issuer which requires that the Subsidiary Incurrence Test is met.

13.1.4 The Subsidiary Incurrence Test is met if:

- (a) the Leverage Ratio (Subsidiaries) is equal to or lower than 2.85:1.00; and
  - (b) no Event of Default is continuing or would occur upon the relevant incurrence,
- in each case calculated in accordance with the Calculation Principles.

## 13.2 Calculation principles

13.2.1 The Incurrence Test shall be tested on the date on which the relevant Financial Indebtedness is incurred or Permitted Payment is made (the “**Incurrence Test Date**”).

For the purpose of any Incurrence Test (without double counting):

- (a) the transaction which requires that an Incurrence Test is made shall be included in the calculations on a *pro forma* basis; and
- (b) the figures for Consolidated EBITDA for the Reference Period ending on the last day of the period covered by the most recent Financial Statements shall be used for the Incurrence Test (as applicable), but adjusted so that:
  - (i) the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) of a member of the Group (or attributable to a business or assets) acquired during the Reference Period, or after the end of the Reference Period but before the relevant Incurrence Test Date, shall be included, *pro forma*, for the entire Reference Period; and
  - (ii) the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as Consolidated EBITDA) attributable to any member of the Group (or to any business or assets) disposed of during the Reference Period, or after the end of the Reference Period but before the relevant Incurrence Test Date, shall be excluded, *pro forma*, for the entire Reference Period; and
- (c) the figures for Senior Total Net Debt and Subsidiary Net Debt (as applicable) as the Reference Date covered by the most recent Financial Statements shall be used for the Incurrence Test, but adjusted so that:
  - (i) reduced to reflect any Financial Indebtedness attributable to a disposal of an entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Financial Indebtedness is included in the relevant Financial Statements), in each case to the extent attributable to the Reference Period;
  - (ii) increased on a *pro forma* basis by an amount equal to the Financial Indebtedness directly attributable to (A) any Financial Indebtedness owed by acquired entities and their subsidiaries, and (B) any Financial Indebtedness incurred to finance the acquisition of such entities, in each case to the extent attributable to the Reference Period or the period from the end of the Reference Period to the relevant Incurrence Test Date; and
  - (iii) increased on a *pro forma* basis by an amount equal to (A) the Financial Indebtedness (the incurrence of which requires that the Incurrence Test is made) incurred after the last day of the Reference Period and (B) the amount equal to the Financial Indebtedness in respect of which the Incurrence Test is made (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall for the avoidance of doubt not reduce Senior Total Net Debt or Subsidiary Net Debt), minus an amount equal to the Financial Indebtedness refinanced by the Financial Indebtedness referred to in (A) and (B) above after the last day of the Reference Period,

provided that the Issuer shall not be required to include calculations of the adjustments pursuant to paragraphs (i) to (iii) in the relevant Compliance Certificate if the CFO of the Issuer certifies in the relevant Compliance Certificate that the Incurrence Test, taking the adjustments into account, is met.

13.2.2 When first calculating the Leverage Ratio (Group) or Leverage Ratio (Subsidiaries), the Issuer shall elect whether the calculations shall be made in accordance with the Accounting Principles in force on the First Issue Date or (if different) in accordance with the Accounting Principles in force at the relevant Incurrence Test Date and each of Consolidated EBITDA, Senior Total Net Debt and Subsidiary Net Debt shall be calculated in accordance with the Accounting Principles so elected by the Issuer. The Issuer shall confirm in the relevant Compliance Certificate which Accounting Principles that have been applied and, if the Accounting Principles in force at the relevant Incurrence Test Date was not elected, include *pro forma* figures, in form and substance as may be reasonably required by the Agent, to enable the Agent to determine whether the relevant Incurrence Test was complied with. The Accounting Principles so elected by the Issuer shall continue to be applied in the calculation of the Leverage Ratio (Group) and Leverage Ratio (Subsidiaries) in all subsequent Incurrence Tests.

### 13.3 Grower baskets

13.3.1 The Issuer may once in each financial year in connection with the delivery of the annual audited consolidated Financial Statements of the Group to the Agent request that the amounts of the Permitted Financial Indebtedness Basket, the Permitted Loans Basket and the Permitted Security Basket (the "**Relevant Baskets**") shall be increased in proportion to any increase of the Consolidated EBITDA of the Group (as evidenced by the relevant annual audited consolidated Financial Statements compared with the Consolidated EBITDA for the Group for the Reference Period ended on 30 September 2019) (any such increase of the Relevant Baskets, a "**Basket Increase**").

13.3.2 A Basket Increase shall become effective when the Issuer has delivered a certificate to the Agent confirming the new amounts of the Relevant Baskets together with evidence reasonably satisfactory to the Agent supporting such calculations (such certificate, an "**Increase Certificate**"). The Issuer shall make any Increase Certificate available on its website.

## 14 SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the undertakings set forth in this Clause 14.

### 14.1 Distributions

The Issuer shall not, and shall procure that none of its Subsidiaries will:

- (a) declare, make or pay any dividend, charge, fee or other distribution (or interest on any unpaid dividend, charge, fee or other distribution) (whether in cash or in kind) on or in respect of its share capital (or any class of its share capital);
- (b) make any payment of any principal, interest or other amount on or in respect of, or any redemption or purchase of, any loan from a shareholder of the Issuer or any Affiliate of such shareholders;
- (c) pay any management, advisory or other fee to or to the order of any direct or indirect shareholder of the Issuer or the Affiliates of such direct and indirect shareholders;
- (d) redeem, repurchase, defease, retire or repay any of its share capital, or resolve to do so;
- (e) grant any loans to any direct or indirect shareholder of the Issuer or the Affiliates of such direct and indirect shareholders; or
- (f) make any other similar distributions or transfers of value (*Sw. värdeöverföringar*) to the Issuer's or its Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders,

(the transactions set out in paragraphs (a) to (f) above are together and individually referred to as a "**Restricted Payment**") unless such transaction is a Permitted Payment.

### 14.2 Admission to trading of Bonds

The Issuer shall ensure that:

- (a) the Initial Bonds are admitted to trading on the corporate bond list of Nasdaq First North or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Market Place, in each case within twelve (12) months after the First Issue Date;
- (b) any Subsequent Bonds are admitted to trading on the same Market Place as the Initial Bonds within twenty (20) days of the later to occur of (i) the date of the Subsequent Bond Issue and (ii) the date of admission to trading of the Initial Bonds (or, in each case, any shorter period of time required by law, regulation or applicable stock exchange regulations); and
- (c) the Bonds, once admitted to trading on a Market Place continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Market Place and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

#### **14.3 Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Issuer on the First Issue Date.

#### **14.4 Financial indebtedness**

The Issuer shall not, and shall procure that none of its Subsidiaries will, incur any new Financial Indebtedness, or maintain or prolong any existing Financial Indebtedness, save for Permitted Financial Indebtedness.

#### **14.5 Market Loans**

The Issuer shall procure that none of its Subsidiaries will incur any Market Loan.

#### **14.6 Loans out**

The Issuer shall not, and shall procure that none of its Subsidiaries will, be a creditor in respect of any Financial Indebtedness, save for Permitted Loans.

#### **14.7 Negative pledge**

The Issuer shall not, and shall procure that none of its Subsidiaries will, create or allow to subsist, retain, provide, prolong or renew any Security over any of its assets (present or future) to secure any Financial Indebtedness, provided however that the Group Companies have a right to create or allow to subsist, retain, provide, prolong and renew any Permitted Security.

#### **14.8 Disposals of assets**

The Issuer shall not, and shall procure that none of its Subsidiaries will, sell, transfer or otherwise dispose of shares in any Group Company or of all or substantially all of its or any Group Company's assets or operations to any Person not being the Issuer or any wholly-owned Subsidiary of the Issuer, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect. The Issuer shall, upon request by the Agent, provide the Agent with any information relating to the transaction, which the Agent deems necessary (acting reasonably).

#### **14.9 Mergers and demergers**

The Issuer shall not enter into any amalgamation, demerger, merger or reconstruction otherwise than under an intra-Group reorganisation on a solvent basis where the Issuer is the surviving entity.

#### **14.10 Dealings with related parties**

The Issuer shall, and shall procure that each of its Subsidiaries will, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is another Group Company) and/or any Affiliates of such direct and indirect shareholders at arm's length terms.

#### **14.11 Compliance with laws**

The Issuer shall, and shall procure that each of its Subsidiaries will, comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq First North or any other Market Place on which the Issuer's securities from time to time are listed.

#### **14.12 Authorisations**

The Issuer shall, and shall procure that each of its Subsidiaries will, obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company.

#### **14.13 Agency Agreement**

- (a) The Issuer shall, in accordance with the Agency Agreement:
- (i) pay fees to the Agent;
  - (ii) indemnify the Agent for costs, losses and liabilities;
  - (iii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
  - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

#### **14.14 CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all CSD regulations applicable to the Issuer from time to time.

### **15 TERMINATION OF THE BONDS**

**15.1** Each of the events or circumstances set out in this Clause 15 is an Event of Default (save for Clause 15.10 (*Termination*)).

#### **15.2 Non-payment**

The Issuer fails to pay an amount on the date it is due in accordance with these Terms and Conditions unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date.

#### **15.3 Other obligations**

The Issuer does not comply with these Terms and Conditions in any other way (other than as set out under Clause 15.2 (*Non-payment*) above), unless the non-compliance (i) is capable of being remedied and (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

#### **15.4 Cross payment default and cross-acceleration**

- (a) Any Financial Indebtedness of any member of the Group is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described);
- (b) any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event of default (however described); or

- (c) any security interest securing Financial Indebtedness over any asset of any Group Company is enforced;

provided however that the amount of Financial Indebtedness referred to under paragraphs (a) and/or (b) above, individually or in the aggregate exceeds an amount corresponding to SEK 20,000,000 (or its equivalent in any other currency or currencies) and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

## **15.5 Insolvency**

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

## **15.6 Insolvency proceedings**

Any corporate action, legal proceedings or other procedures are taken in relation to:

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

other than (A) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (B), in relation to the members of the Operating Group, solvent liquidations.

## **15.7 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Group Company having an aggregate value equal to or exceeding SEK 20,000,000 (or its equivalent in any other currency or currencies) and is not discharged within sixty (60) calendar days.

## **15.8 Impossibility or illegality**

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

## **15.9 Cessation of business**

A Group Company ceases to carry on its business (except if due to (i) a solvent liquidation of a Group Company other than the Issuer or (ii) a permitted disposal, merger or demerger as stipulated in Clause 14.8 (*Disposals of assets*) or a permitted merger or demerger as stipulated in Clause 14.9 (*Mergers and demergers*)) and provided, in relation to a discontinuation of a Group Company other than the Issuer, that such discontinuation is likely to have a Material Adverse Effect.

## **15.10 Termination**

- 15.10.1 If an Event of Default has occurred and is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the

Adjusted Nominal Amount (such demand may only be validly made by a person who is a Bondholder on the second (2<sup>nd</sup>) Business Day following the day on which the demand is received by the Agent and shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 15.10.6 or 15.10.7, on behalf of the Bondholders, terminate the Bonds and to declare all, but not only some, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration).

- 15.10.2 The Agent may not terminate the Bonds in accordance with Clause 15.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the grounds mentioned under Clause 15.10.1.
- 15.10.3 If the right to terminate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 15.10.4 The Issuer is obliged to inform the Agent immediately if any circumstance of the type specified in Clause 15.1 should occur. Should the Agent not receive such information, the Agent is entitled to assume that no such circumstance exists or can be expected to occur, provided that the Agent does not have knowledge of such circumstance. The Agent is under no obligations to make any investigations relating to the circumstances specified in Clause 15.1. The Issuer shall further, at the request of the Agent, provide the Agent with details of any circumstances referred to in Clause 15.1 and provide the Agent with all documents that may be of significance for the application of this Clause 15.
- 15.10.5 The Issuer is only obliged to inform the Agent according to Clause 15.10.4 if informing the Agent would not conflict with any statute or the Issuer's registration contract with Nasdaq First North (or any other Market Place, as applicable). If such a conflict would exist pursuant to the listing contract with Nasdaq First North (or any other Market Place, as applicable) or otherwise, the Issuer shall however be obliged to either seek the approval from Nasdaq First North (or any other Market Place, as applicable) or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Clause 15.10.4.
- 15.10.6 If the Agent has been notified by the Issuer or has otherwise received actual knowledge that there is a default under the Finance Documents according to Clause 15.1, the Agent shall (i) notify, within five (5) Business Days of the day of notification or actual knowledge, the Bondholders of the default and (ii) decide, within twenty (20) Business Days of the day of notification or actual knowledge, if the Bonds shall be declared terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Bondholders that there exists a right of termination and obtain instructions from the Bondholders according to the provisions in Clause 17 (*Decisions by Bondholders*). If the Bondholders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Bondholders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 15.10.7 If the Bondholders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 17 (*Decisions by Bondholders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Bondholders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient Security for such indemnity.
- 15.10.8 If the Bonds are declared due and payable in accordance with the provisions in this Clause 15, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.



15.10.9 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 15 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 17 (*Decisions by Bondholders*).

15.10.10 If the Bonds are declared due and payable in accordance with this Clause 15 (*Termination of the Bonds*), the Issuer shall redeem all Bonds with an amount per Bond equal to 101.00 per cent. of the Nominal Amount (plus accrued and unpaid interest).

## **16 DISTRIBUTION OF PROCEEDS**

16.1 If the Bonds have been declared due and payable in accordance with Clause 15 (*Termination of the Bonds*), all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

(a) first, in or towards payment *pro rata* of:

- (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent;
- (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights;
- (iii) any non-reimbursed costs incurred by the Agent for external experts; and
- (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure;

(b) *secondly*, in or towards payment *pro rata* of accrued but unpaid interest under the Bonds (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);

(c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and

(d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Terms and Conditions.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

16.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 16.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 16.1.

16.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 16 as soon as reasonably practicable.

16.4 If the Issuer or the Agent shall make any payment under this Clause 16, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

## **17 DECISIONS BY BONDHOLDERS**

17.1 A request by the Agent for a decision by the Bondholders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.

17.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least 10 per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on

the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.

- 17.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 17.4 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 19.3, in respect of a Written Procedure,
- may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- 17.5 The following matters shall require consent of Bondholders representing at least sixty-six and two thirds ( $66\frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3:
- (a) waive a breach of or amend an undertaking set out in Clause 12 (*Special undertakings*);
  - (b) a mandatory exchange of the Bonds for other securities;
  - (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
  - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking; or
  - (e) amend the provisions in this Clause 17.5 or Clause 17.6.
- 17.6 Any matter not covered by Clause 17.5 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 19.3. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) to (c) of Clause 20.1) or a termination of the Bonds.
- 17.7 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Bondholders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Bondholders' Meeting shall be appointed by the Bondholders in accordance with Clause 17.6.
- 17.8 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 17.9 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 18.1) or initiate a second Written Procedure (in accordance with Clause 19.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders'

consent. The quorum requirement in Clause 17.8 shall not apply to such second Bondholders' Meeting or Written Procedure.

- 17.10 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 17.11 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 17.12 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 17.13 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 17.14 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 17.15 If a decision shall be taken by the Bondholders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 17.16 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **18 BONDHOLDERS' MEETING**

- 18.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Bondholders' Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.
- 18.2 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 18.1 with a copy to the Agent. After a request from the Bondholders pursuant to Clause 21.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 18.1.
- 18.3 The notice pursuant to Clause 18.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- 18.4 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.
- 18.5 If the Agent, in breach of these Terms and Conditions, has not convened a Bondholders' Meeting within five (5) Business Days after having received such notice, the requesting Person may convene the

Bondholders' Meeting itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD and, if no Person to open the Bondholders' Meeting has been appointed by the Agent, the meeting shall be opened by a Person appointed by the requesting Person.

- 18.6 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.
- 18.7 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in Person.

## **19 WRITTEN PROCEDURE**

- 19.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the communication to the Issuer.
- 19.2 Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 19.1 to each Bondholder with a copy to the Agent.
- 19.3 A communication pursuant to Clause 19.1 shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days but no more than twenty (20) Business Days from the communication pursuant to Clause 19.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 19.4 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD.
- 19.5 When the requisite majority consents of the aggregate Adjusted Nominal Amount pursuant to Clause 17.5 and 17.6 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 17.5 or 17.6, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **20 AMENDMENTS AND WAIVERS**

- 20.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend these Terms and Conditions or waive any provision in these Terms and Conditions, provided that:
- (a) the Agent is satisfied that such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) the Agent is satisfied that such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;

- (c) such amendment or waiver is necessary for the purpose of having the Bonds admitted to trading on the corporate bond list of Nasdaq First North (or any other Market Place, as applicable) provided that such amendment or waiver does not materially adversely affect the rights of the Bondholders; or
  - (d) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 17 (*Decisions by Bondholders*).
- 20.2 The consent of the Bondholders is not necessary to approve the particular form of any amendment or waiver to these Terms and Conditions. It is sufficient if such consent approves the substance of the amendment or waiver.
- 20.3 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 20.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 20.4 An amendment or waiver to these Terms and Conditions shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.

## **21 APPOINTMENT AND REPLACEMENT OF THE AGENT**

### **21.1 Appointment of Agent**

- 21.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and these Terms and Conditions, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 21.1.2 Each Bondholder shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), as the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions. The Agent is under no obligation to represent a Bondholder which does not comply with such request.
- 21.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under these Terms and Conditions and the Agency Agreement.
- 21.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in these Terms and Conditions and the Agency Agreement and the Agent's obligations as agent under these Terms and Conditions and the Agency Agreement are conditioned upon the due payment of such fees and indemnifications.
- 21.1.5 The Agent may act as agent for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **21.2 Duties of the Agent**

- 21.2.1 The Agent shall represent the Bondholders in accordance with these Terms and Conditions. However, the Agent is not responsible for the execution or enforceability of these Terms and Conditions. The Agent shall keep the latest version of these Terms and Conditions (including any document amending these Terms and Conditions) available on the website of the Agent.
- 21.2.2 The Agent is not obliged to actively assess or monitor (i) the financial condition of the Issuer or any Group Company, (ii) the compliance by the Issuer of the Finance Documents (unless expressly set out in the

- Finance Documents) or (iii) whether an Event of Default (or any event that may lead to an Event of Default) has occurred or not. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default has occurred.
- 21.2.3 The Agent may assume that any information, documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such information, documentation or evidence. The Agent does not review any information, documents and evidence from a legal or commercial perspective of the Bondholders.
- 21.2.4 The Agent is not responsible for any determination made by the Issuer under or in respect of the Terms and Conditions, but is not bound by the Issuer's determination.
- 21.2.5 Upon the reasonable request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.
- 21.2.6 When acting in accordance with these Terms and Conditions, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under these Terms and Conditions in a reasonable, proficient and professional manner, with reasonable care and skill.
- 21.2.7 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under these Terms and Conditions.
- 21.2.8 The Agent shall treat all Bondholders equally and, when acting pursuant to these Terms and Conditions, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in these Terms and Conditions and the Agency Agreement.
- 21.2.9 The Agent shall be entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- 21.2.10 The Agent is entitled to engage external experts when carrying out its duties under these Terms and Conditions. The Issuer shall on demand by the Agent pay all costs for external experts engaged (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering an event which the Agent reasonably believes is or may lead to an Event of Default or a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under these Terms and Conditions or (iii) when the Agent is to make a determination under these Terms and Conditions. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under these Terms and Conditions shall be distributed in accordance with Clause 16 (*Distribution of proceeds*).
- 21.2.11 The Agent shall enter into agreements with the CSD, and comply with such agreement and the CSD regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under these Terms and Conditions.
- 21.2.12 Notwithstanding any other provision of these Terms and Conditions to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 21.2.13 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.

- 21.2.14 The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under these Terms and Conditions by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under these Terms and Conditions or the Agency Agreement, or (ii) if it refrains from acting for any reason described in Clause 21.2.13.
- 21.2.15 The Agent's duties under the Terms and Conditions are solely mechanical and administrative in nature and the Agent only acts in accordance with the Terms and Conditions and upon instructions from the Bondholders, unless otherwise set out in the Terms and Conditions. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.

### **21.3 Limited liability for the Agent**

- 21.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect loss.
- 21.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts engaged by the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 21.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to these Terms and Conditions to be paid by the Agent to the Bondholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 21.3.4 The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with Clause 17 (*Decisions by Bondholders*).
- 21.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, these Terms and Conditions shall not be subject to set-off against the obligations of the Issuer to the Bondholders under these Terms and Conditions.
- 21.3.6 The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or by any other Person.

### **21.4 Replacement of the Agent**

- 21.4.1 Subject to Clause 21.4.6, the Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 21.4.2 Subject to Clause 21.4.6, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent and the Issuer shall within 10 Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 21.4.3 A Bondholder (or Bondholders) representing at least 10 per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 21.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) calendar days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- 21.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under these Terms and Conditions and the Agency Agreement.
- 21.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 21.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of these Terms and Conditions but shall remain entitled to the benefit of these Terms and Conditions and remain liable under these Terms and Conditions in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under these Terms and Conditions as they would have had if such successor had been the original Agent.
- 21.4.8 In the event that there is a change of the Agent in accordance with this Clause 21.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under these Terms and Conditions and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **22 APPOINTMENT AND REPLACEMENT OF THE ISSUING AGENT**

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

## **23 APPOINTMENT AND REPLACEMENT OF THE CSD**

- 23.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to the CSD.
- 23.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the listing of the Bonds listed on the corporate bond list of Nasdaq First North (or any other Market Place). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. *lag (2007:528) om värdepappersmarknaden*).

## **24 NO DIRECT ACTIONS BY BONDHOLDERS**

- 24.1 A Bondholder may not take any action or legal steps whatsoever against any Group Company to enforce or recover any amount due or owing to it pursuant to these Terms and Conditions, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of any Group Company in relation to any of the liabilities of the Issuer under these Terms and Conditions. Such steps may only be taken by the Agent.
- 24.2 Clause 24.1 shall not apply if the Agent has been instructed by the Bondholders in accordance with these Terms and Conditions to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 21.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to



the Agent under these Terms and Conditions or the Agency Agreement or by any reason described in Clause 21.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.14 before a Bondholder may take any action referred to in Clause 24.1.

- 24.3 The provisions of Clause 24.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control or De-listing (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## **25 TIME-BAR**

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

## **26 NOTICES AND PRESS RELEASES**

### **26.1 Notices**

- 26.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time, if sent by email by the Issuer, to such email address as notified by the Agent to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or to such address as notified by the Issuer to the Agent by not less than five (5) Business Days' notice from time to time, and if sent by email by the Agent, to such email address as notified by the Issuer to the Agent from time to time; and
  - (c) if to the Bondholders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 26.1.2 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 26.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 26.1.1 or, in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 26.1.1.
- 26.1.3 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## **26.2 Press releases**

- 26.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 11.3 and 11.4, paragraph (a) of Clause 12.3 and Clauses 15.10.6, 16.4, 17.16, 18.1, 19.1, 20.3, 21.2.14 and 21.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 26.2.2 In addition to Clause 26.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## **27 FORCE MAJEURE AND LIMITATION OF LIABILITY**

- 27.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 27.2 The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage.
- 27.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 27.4 The provisions in this Clause 27 apply unless they are inconsistent with the provisions of the Central Securities Depositories and Financial Instruments Accounts Act which provisions shall take precedence.

## **28 ADMISSION TO TRADING**

The Issuer intends to list the Initial Bonds within thirty (30) calendar days from the First Issue Date, and has undertaken to list the Initial Bonds within twelve (12) months, after the First Issue Date on the corporate bond list of Nasdaq First North (or any other Market Place) in accordance with Clause 14.2 (*Admission to trading of Bonds*).

## **29 GOVERNING LAW AND JURISDICTION**

- 29.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 29.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 29.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 29.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
-