

# ESMAEILZADEH HOLDING

## **Esmaeilzadeh Holding AB (publ)**

relating to the listing of

**SEK 1,200,000,000 Senior Unsecured Floating Rate Bonds due 2025**

ISIN: SE0017133564

**Joint Bookrunners**

 Pareto Securities

 **ABG**  
SUNDAL COLLIER

**Prospectus dated 30 June 2022 and valid up until 30 June 2023. The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid.**

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Esmailzadeh Holding AB (publ) (the "**Issuer**", "**EHAB**", or the "**Company**" or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Strandvägen 5 A, 114 51, Stockholm, Sweden, with reg. no. 559242-7388, in relation to the application for the listing of the senior unsecured floating rate bonds denominated in SEK (the "**Bonds**") on the corporate bond list on Nasdaq Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). ABG Sundal Collier AB and Pareto Securities AB have acted as joint bookrunners in connection with the issue of the Bonds (the "**Joint Bookrunners**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004.

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) (the "**SFSA**") as the competent authority under the Regulation. The SFSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of the bonds that are subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the Bonds.

Unless otherwise stated or required by context, terms defined in the terms and conditions for the Bonds beginning on page 34 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

Except where expressly stated otherwise, no information in this Prospectus has been reviewed or audited by the Company's auditor. Certain financial and other numerical information set forth in this Prospectus has been subject to rounding and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents incorporated by reference in, and any supplements to, this Prospectus. In this Prospectus, references to "**SEK**" refer to Swedish krona.

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

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

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

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

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

Interest payable on the Bonds will be calculated by reference to STIBOR. As at the date of this Prospectus, no administrator of STIBOR appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (the "**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**").

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

## TABLE OF CONTENTS

<b>Risk Factors</b> .....	<b>2</b>
<b>The Bonds in Brief</b> .....	<b>14</b>
<b>Statement of Responsibility</b> .....	<b>17</b>
<b>Description of Material Agreements</b> .....	<b>18</b>
<b>Description of the Group</b> .....	<b>19</b>
<b>Management of the Issuer</b> .....	<b>27</b>
<b>Historical Financial Information</b> .....	<b>30</b>
<b>Other Information</b> .....	<b>32</b>
<b>Terms and Conditions of the Bonds</b> .....	<b>34</b>
<b>Addresses</b> .....	<b>78</b>

## Risk Factors

*Risk factors deemed to be of importance for Esmailzadeh Holding AB (publ), reg. no. 559242-7388 (the "Issuer"), and its direct and in-direct subsidiaries (the "Subsidiaries" and together with the Issuer the "Group" and each a "Group Company"), the Group's business and future development and risks relating to the Company's senior unsecured floating rate callable bond issue with ISIN SE0017133564 (the "Bonds") are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the terms and conditions of the Bonds entered into between the Issuer and the Agent (the "Terms and Conditions"). The risk factors presented below are categorised as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The risk factors categorised as "RISKS RELATING TO THE GROUP", are categorised as risk factors pertaining to the Group. Each risk factor is disclosed by rating the relevant risk as low, medium or high in terms of the probability of the risk's occurrence as well as the expected magnitude of its adverse impact. The assessment of the materiality and probability for each risk factor has been made by the Issuer. The risk factors are organised in several categories and the most material risk factor in a category is presented first in each category. Subsequent risk factors in the same category are not purported to be ranked in order of materiality.*

### Risks relating to the Group

#### Risks related to the Issuer's business activities and investments

##### *Risks related to the Issuer's investments and the lack of liquidity*

##### *High level risk*

The Issuer is an investment company with an investment portfolio consisting of equity investments in more than 10 companies. A majority of the Issuer's investments consist of non-quoted investments and, as an investment company under IFRS, the Issuer records financial assets to their fair value in its balance sheet. As per 31 December 2021, approximately 85 per cent. of the Issuer's total investment portfolio comprised of non-quoted investments. The Issuer values its non-quoted investments regularly based on the valuation method that the Issuer considers to be the most accurate, for example based on recent transactions or capital raisings in the Portfolio Companies (as defined below), and thus, the recorded value of non-quoted investments is subject to greater uncertainty compared to quoted investments.

The Issuer is further exposed to the risk of a decrease in the value of its investments, either as a result of write-downs due to revised valuations or macroeconomic factors, both in relation to its non-quoted investments and its quoted investments. A decrease in the value of its investments may adversely affect the Issuer's portfolio value and balance sheet, and thereby have a material negative impact on the Issuer's financial position, and ability to fulfil its obligations under the Bonds. For example, a 10 per cent. decrease in the aggregated value of the Issuer's investment portfolio as per 31 December 2021, would entail a decrease of the fair value of approximately SEK 451,450,000, which would adversely affect the Issuer's financial assets at fair value through profit or loss recorded in the financial statements.

Furthermore, the Issuer's non-quoted shares are not publicly traded and are thus illiquid, as opposed to quoted shares, which could result in difficulties to divest non-quoted shares on short notice if the Issuer would be required to sell its non-quoted shares should the financial position

of the Issuer deteriorate. There is also a risk that such divestment would be discounted compared to the actual value, which could affect the Issuer's financial position negatively.

***Macroeconomic factors***

*Medium level risk*

The Issuer is an investment company mainly focusing on investing in and establishing investment platforms (each platform being a "**Portfolio Company**" and together the "**Portfolio Companies**" and their acquired companies being "**Acquired Companies**") which focuses on acquiring businesses within specific sectors which the relevant Portfolio Company concentrates on. Acquired Companies mainly consist of well-established companies with a demonstrated history of earnings and stable cash-flows. The Portfolio Companies acquire companies within sectors such as the dental sector (in respect of the Portfolio Company Dentalum), the infrastructure, installation and services and industrial sectors, in respect of the Portfolio Company Novedo and the TMT (technology, media and telecom) and industrial sectors (in respect of the Portfolio Company Lyvia Group).

The Issuer is dependent on the success of its Portfolio Companies and the Portfolio Companies are in turn dependent on the products produced and the services rendered by the Acquired Companies being in demand by consumers and industrial purchasers. The market demand is largely affected by macroeconomic factors outside the relevant companies control and specifically the macroeconomic conditions in Sweden where the majority of the Portfolio Companies (including the Acquired Companies) operate. Conditions in the global capital market and the economy in general, such as consumption, business investments, public investments, the volatility and strength of the capital market, interest rates, inflation or deflation, affect the Issuer's, Portfolio Companies and the Acquired Companies' operations and performance.

The Portfolio Companies Novedo and Rebellion are for instance acquiring companies within the industry and property services sectors, and these sectors have historically demonstrated sensitivity to deteriorating economic climate when less infrastructure projects and less building projects are initiated. Furthermore, the spread of the coronavirus (including variants thereof) and the ongoing military conflict between Russia and Ukraine may also affect the economy in general. If one or several of these factors would develop negatively, this could have a significant negative impact on the Portfolio Companies and their Acquired Companies' business, financial position and results and ultimately affect the Issuer's financial position, cash flow and results of operation.

***Risks related to competition and risk of finding suitable target companies***

*High level risk*

The Issuer and its Portfolio Companies operate in markets that are subject to competition with regard to investment opportunities, and the Issuer and the Portfolio Companies compete with other investors in respect of the type of investments that the Issuer and the Portfolio Companies intend to make. For example, the Portfolio Companies of the Issuer have during 2021 invested in approximately 30 companies. There is a risk that the Issuer and its Portfolio Companies will, in the future, be subject to increased competition, which might have a detrimental impact on the Issuer and its Portfolio Companies' strategy. A high level of competition can result in a higher price in an individual transaction and to the transaction not being made at an attractive price, which deteriorates the potential return on the investment.

There is a risk that opportunities for attractive acquisitions will not arise or meet the financial criteria of the Portfolio Companies, which would have a material adverse effect on the Portfolio

Companies continued growth and prospects. If the Issuer and the Portfolio Companies are not able to carry out acquisitions at all, to the desired extent or at favourable terms as a result of increased competition, it could have an adverse effect on the Portfolio Companies' businesses, growth and valuation and ultimately the Issuer's operations, cash flow and financial position.

A predominant component of the Issuer's and its Portfolio Companies' strategy is to identify and invest in well-established companies with a demonstrated history of earnings and cash flow, with an intact management of the Acquired Company. There is a risk of the Portfolio Companies having difficulties in finding and identifying suitable target companies that fall within the relevant Portfolio Companies' preferred investment criteria. This can, among other things, be due to difficult market conditions or as stated above, due to increased competition or unwillingness of owners of potential target companies to sell their respective companies. In addition, there is also a risk that a Portfolio Company makes incorrect commercial assessments in connection with acquisition processes, which could lead to the Portfolio Company acquiring companies that underperform and/or does not live up to the expectations and do not lead to the positive effects that the Portfolio Company intended to achieve with such acquisition. There is also a risk that potential issues with an Acquired Company, such as required investments, outstanding commitments, future losses or other legal risks, are not detected in the course of the due diligence review with regard to the Acquired Company or that there are other unidentified risks associated with the Acquired Company. If any of the above risks would materialise, it would have a material adverse effect on the relevant Portfolio Company's operations, financial position and profits which would subsequently affect the Issuer's portfolio value negatively.

***Dependence on Portfolio Companies and dilution***

*Medium level risk*

The Issuer holds few material assets other than holdings in Portfolio Companies. Accordingly, the Group is dependent upon receipt of sufficient income related to the Group's operations of and divestments in such Portfolio Companies to meet its own obligations, including the payment obligations under the Bonds. In view of the Issuer being a majority owner in several of the Portfolio Companies, the Group is indirectly subject to the same risks that the Portfolio Companies are exposed to in their respective operations, in addition to issues relating to the ownership of such Portfolio Companies.

The Issuer may be further diluted, for example due to the fact that sellers of Acquired Companies may be offered reinvestments in each Portfolio Company in the form of equity earn-outs, that may materialise and be converted into common shares in the Portfolio Companies and have a dilutive effect.

For example, as per 31 December 2021, the Issuer's ownership in the three largest holdings in terms of value, Novedo Holding AB, Dentalum Group AB and Mirovia Holding AB, which together account for approximately 60 per cent. of the Issuer's investment portfolio, amounted to approximately 66, 46 and 93 per cent of the shares in the respective company. There is a risk that the Issuer's shareholding in the Portfolio Companies will be further diluted in the future if the Acquired Companies perform well and the equity earn-outs materialise. Further, the Issuer's interests may conflict with the interests of other shareholders and lead to difficulties in the management of such Portfolio Companies, which in turn may have a material adverse effect on the Issuer's investment. The Issuer is thus dependent on value gains, dividends, cash flow or other income from its Portfolio Companies and a decrease of the value of, or dividends, cash flow or other income from the Portfolio Companies may have a material adverse effect on the Issuer's operations and financial position.

***The Group's growth and geographic expansion may not materialise or fail***

*Medium level risk*

The Group's growth strategy involves a contemplated geographic expansion, mainly to the United Kingdom, the Benelux region (Belgium, Netherlands and Luxembourg) and the DACH region (Germany, Austria and Switzerland). There is a risk that the Group is unable to execute on its contemplated geographic expansion or achieve a similar track record as it has in Sweden due to difficulties in finding acquisition targets abroad, please see also the risk factor "*Risks related to competition and risk of finding suitable target companies*" above.

Acquisitions carried out in new geographies are commonly subject to more extensive due diligence reviews since there are additional risks and related uncertainties compared to a jurisdiction which a potential acquirer is accustomed to, due to, for example, lack of knowledge of market conditions, a growing number of legal and regulatory requirements, as well as higher financial, legal and tax advisor costs arising from exposure to additional jurisdictions. There can also be cultural differences when conducting business in other geographies compared to Sweden, which can have a negative effect on the Group's ability to implement its business and growth strategy as expected. The Group may further be exposed to currency fluctuations when operating in other jurisdictions. Any failure with respect to launching new portfolio companies in connection with geographical expansions may entail burdensome costs, and a set-back in the Issuer's strategy, which could have a negative effect on the Issuer's financial position and prospects.

***Tax risks and risk of being classified as a securities company***

*Medium level risk*

The Issuer conducts its business, including intra-group transactions, in accordance with the Issuer's interpretation of current tax legislation in Sweden, tax authorities' guidelines and other requirements. Tax legislation is subject to frequent changes including introduction of new taxes and fees (e.g. digital tax) and such change could have a significant impact on the tax position of the Issuer and its Portfolio Companies (including Acquired Companies). There is a risk that the Issuer's interpretation of applicable rules or practice will be incorrect and changed, potentially with retroactive effect, in a way that has a material adverse effect on the Issuer's financial position. Given the Issuer's planned geographical expansion plans, the Issuer will further be subject to different tax regulations following such expansion, which adds complexity from a tax perspective and entails a risk that the complexity results in errors in the Issuer's tax management. Further, there is a risk that the Swedish Tax Agency (Sw. *Skatteverket*) does not agree with the Issuer's perception and interpretation of laws, regulations and practices. The Issuer's current tax situation may therefore be subject to negative change. For instance, the Issuer believes its profits from divestments of non-quoted shares to be tax exempt due to the shares being qualified as business related shares (Sw. *näringsbetingade andelar*) under Swedish taxation law. However, should the Swedish Tax Agency determine that the Issuer's profits from divestments of shares in its Portfolio Companies are not tax exempt, for example due to the Issuer being treated as a securities company (Sw. *värdepappersbolag*), it would have a material adverse effect on the Issuer's strategy, flexibility, its financial position, cash flow and results. Furthermore, any failure in compliance of applicable tax laws can lead to increased costs, payment of additional taxes and/or fees, which may have an adverse effect on the Issuer's and the Portfolio Companies (including Acquired Companies) business, financial position and results.

***Management risk and ability to recruit and retain personnel***

*Low level risk*

The Issuer has a limited operating history and was formed in January 2020 for the purpose of carrying out its business plan and the organisation of the Issuer is of limited size. Therefore, the Issuer is dependent upon its senior management and other employees, in total approximately 10 full time employees, for the implementation of its strategy and the operation of its activities. The future success of the Issuer therefore, amongst other things, depends on the Issuer's ability to retain and motivate its key personnel. It also depends on the ability to recruit, retain and develop other qualified senior executives and key employees with the necessary skills and extensive industry experience to the Issuer. The Issuer is further dependent on its CEO and founder, Saeid Esmaeilzadeh, and if the Issuer fails to retain the CEO or if the CEO does not dedicate sufficient time to the operations of the Issuer, this would have a material negative impact on the Issuer's and its Portfolio Companies' business and future prospects.

As part of the Issuer's investment strategy, the Issuer has several partly owned Portfolio Companies, with each of them carrying out their respective business independently from each other. Therefore, the Issuer is dependent on its ability to retain the existing management of such Portfolio Companies (including the Acquired Companies) and its ability to attract new management in order for such Portfolio Company (including the Acquired Companies) to carry out their respective business plans. If the Issuer or a Portfolio Company is unable to recruit or retain senior executives or other key employees in respect of a Portfolio Company or the Acquired Companies, this could materially and adversely impact such Portfolio Company's or Acquired Company's business, financial condition and results, and thus the value of the Issuer's investments.

***Risks related to the Acquired Companies' operations***

*Low level risk*

All business operations in the Portfolio Companies including the business operations of its Acquired Companies are associated with a variety of risks which could lead to losses, including due to deficient procedures, failure to increase and improve the functionality and quality of existing products and services, failure to remain competitive or launch new products and services and to successfully optimise production and introduce cost reduction measures. There is also a risk that some Acquired Companies will be unable to adapt to a changing business landscape, including but not limited to digitalisation, the implementation of new technologies, supply and the maintaining of key suppliers and customer relationships. In addition, quality problems, production interruptions and delays in the delivery of its services or products, could lead to a loss of orders and customers for each Acquired Company. The Issuer has several Portfolio Companies which acquires businesses within, among others, the following sectors: IT and digital, property services sector, dental clinics, industry and venture capital, each of these sectors are associated with specific inherent risks. For example, the property services sector is highly competitive and is also subject to macroeconomic risks as the construction segment is especially subject to the general economic condition (please also see the risk factor "*Macroeconomic factors*" above) and the dental clinics sector is, for instance subject to compliance, regulatory and political risks in its day-to-day operations. The fact that the markets in which the Acquired Companies operate may be subject to increased levels of regulation or may encounter negative publicity can also have a material adverse effect on the Portfolio Companies and in turn adversely affect the Issuer's operations, financial condition and operating results.

***Risks related to negative publicity and dependency on reputation***

*Low level risk*



The Issuer is dependent on its and its Portfolio Companies' good reputations. Since operations are conducted by the Issuer's Portfolio Companies beyond the Issuer's control, the Issuer is dependent on its Portfolio Companies and the management of the Portfolio Companies. The Issuer or its Portfolio Companies may in the future, directly or indirectly, be negatively exposed in public and social media. The Issuer may have a limited ability to anticipate or respond to such publications, in particular since the Portfolio Companies and/or Acquired Companies operate with a high degree of independency. Since the Issuer has several partly owned Portfolio Companies, and the other shareholders normally consist of founders and/or key employees within the business conducted by the entity in question, there is a risk that such shareholders may have a different view on how the respective Portfolio Companies should be operated, which could limit the Issuer's ability to anticipate, prevent and/or respond to negative publicity. Damage to their reputation could lead to loss of income or loss of growth potential, or reduce the Issuer's attractiveness to raise capital from external investors or have a negative effect when conducting new investments or establishing new Portfolio Companies. Other stakeholders could also lose confidence in the Issuer and its Portfolio Companies. For instance, should the Issuer or any of the members of its or its Portfolio Companies' senior management team take an action that conflicts with the Issuer's values, or should any of the Issuer's projects not meet the market's expectation, the Issuer reputation could be at risk and it could further make owners of prospective target companies reluctant to sell their companies to the Portfolio Companies, or they may be inclined to sell their companies at a higher price, thus having a material adverse effect on the Portfolio Companies' return on investment which would ultimately affect the Issuer's financial position. Thus, reputation damage or negative publicity could have a material negative impact on the Issuer's and its Portfolio Companies' operations, earnings and financial position.

## **Risks related to the Issuer's financial situation**

### ***Credit exposure and interest rate risk***

#### *High level risk*

The Issuer and its subsidiaries may, in compliance with the limits set out in the Terms and Conditions, incur further financial indebtedness to finance its business operations. Such arrangements may generate future costs which may be higher than the gains produced by the investments made by the Group and divestments. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses.

If the Group cannot successfully mitigate its credit risk or if its counterparties cannot fulfil their obligations towards the Group this could negatively affect the Group's liquidity and therefore increase the Group's need for additional financing. There is a risk that the Group's counterparties cannot fulfil its financial obligations vis-a-vis the Group, which could have a negative impact on the Group's earnings and financial position.

Interest rate risk refers to the risk of changes in the capital market that may affect the interest rate conditions and thus borrowing costs for the Group. Interest rate risk is expressed as the cost change for the interest-bearing liabilities, expressed in SEK. As per the financial first quarter ended 31 March 2022, the Issuer's interest-bearing liabilities, excluding any tax effects or implications, is approximately SEK 1,200,000,000. If the interest rates on the Issuer's loans were to be increased by one per cent., the Group's (including non-consolidated entities, associated companies and minority holdings) interest expenses, excluding any tax effects or implications, would increase by approximately SEK 12,000,000 on an annual basis, albeit with a certain delay due to fixed interest periods. Higher interest expenses may also have a negative effect on

profitability, which can negatively affect the Issuer's liquidity. Consequently, this could lead to the Group having less opportunities to pay interest.

***Refinancing and liquidity risk***

*Medium level risk*

The Issuer finances its business through equity and cash flow generated from divestments and the Portfolio Companies operations as well as equity injections from its shareholder. The Issuer is furthermore financed by external debt through the proceeds received from the Bonds. There is a risk that the Issuer will be required to refinance some or all of its outstanding debt, including the Bonds, or seek additional financing in order to be able to continue the operations of the Group. Except for the Bonds, the Issuer have no outstanding material external financing arrangement. The Issuer's ability to successfully refinance the Bonds and any external financing arrangement that the Issuer may enter into in the future or obtain additional financing depends on a variety of factors, among other things, market conditions, the general availability of credit to the financial services industry as well as the Issuer's credit capacity at such time. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, or obtain additional capital when needed, it would have a negative effect on the Group's business, financial position and result of operation and on the bondholders' recovery under the Bonds.

As at the date hereof, the Issuer is, and may in the future, through its future financing arrangements, including the Bonds, be required to fulfil certain financial covenants. There is a risk that the Issuer in the future could breach such covenants and that the Issuer lacks access to financing sources on acceptable terms, or at all, at the time of such breach. This could in turn cause lack of liquidity where needed in the Issuer's operations, as well as impair the Issuer's growth agenda.

Furthermore, disruptions, uncertainty or volatility in the capital and credit markets may also limit the Issuer's access to capital required to operate its business. Such market conditions may limit the Issuer's ability to repay, in a timely manner, maturing liabilities, to generate fee income and market-related revenue to meet liquidity needs and to access the capital necessary to grow its business or to finance the Portfolio Companies businesses, for example by establishing new portfolio companies and/or invest in the existing Portfolio Companies for further acquisitions. As such, the Issuer may be forced to postpone the raising of capital or bear an unattractive cost of capital, which could decrease the Issuer's profitability and significantly reduce its financial flexibility. If any of the above described risks were to materialise it could have a material adverse effect on the Issuer's operations and financial position, which could subsequently affect the Issuer's ability to meet its obligations under the Bonds.

**Risks relating to the Bonds**

**Risks relating to the nature of the Bonds**

***The Issuer is dependent on its Portfolio Companies***

*Low level risk*

A significant part of the Issuer's assets and revenues relate to the Issuer's Portfolio Companies. The Issuer is dependent on the maintained and increased value of its Portfolio Companies. As the Issuer's operations are focused on managing its Portfolio Companies, the Issuer is dependent upon receipt of sufficient income and cash flow related to the operation and ownership of the Portfolio Companies to enable it to make payments under the Bonds. Consequently, the Issuer

is dependent upon the Portfolio Companies' availability of cash and their legal ability to make dividends or other cash distributions, which may from time to time be limited by financing undertakings, corporate restrictions and law. The Portfolio Companies are further legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. Should the Issuer not receive sufficient income, by way of divestments, dividends or value transfer from one or more Portfolio Company, it would have an adverse effect on the Issuer's business, financial position, earnings and result and thus there is a risk that the Issuer will be unable to service its payment obligations under the Bonds and subsequently adversely affect bondholders' ability to receive payment under the Bonds. Furthermore, the Group or its assets may not be protected from any actions by the creditors of any Portfolio Company, whether under bankruptcy law, by contract or otherwise.

***Credit risks relating to the Bonds and ability to service debt under the Bonds***

*Medium level risk*

Investors in the Bonds assume a credit risk towards the Issuer and indirectly the Group. An investor's prospects of receiving payment under the Bonds is therefore dependent upon the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The credit risk and the Group's financial position is affected by several factors of which some have been mentioned in the above category "Risks relating to the Group". One such aspect of credit risk is that there is a risk that a deteriorating financial position of the Group will force the Group to refinance the Bonds instead of redeeming them with cash generated by the Group, as described under Section "Refinancing risks" above. The Issuer's ability to service its debt under the Bonds will depend upon, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors. If the Group's operating income or exit proceeds are not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all. In case of a deteriorating financial position of the Group, this will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds. Should any of the above risks materialise, this would have a significant negative effect on the Group's operations, earnings, results and financial position.

Furthermore, there is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' market value negatively. If the Issuer is unable to make repayment under the Bonds, there is a risk that the bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds.

***Interest rate risks in relation to the Bonds***

*Medium level risk*

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest rate. The market interest may be subject to significant fluctuations. Investments in Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates or interest rate expectations. The Bonds bear interest at a floating rate of 3-month STIBOR plus a margin with an interest rate floor at 0.00 per cent. The interest rate of the Bonds is determined two business days prior to the first day of each respective interest period. Hence, the interest rate is to a certain extent adjusted for changes in

the level of the general interest rate. There is a risk that an increase of the general interest rate level will adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the Swedish and the international financial development and is therefore outside the Group's control.

***Risks related to early redemption***

*Medium level risk*

Under the Terms and Conditions, the Company has reserved the possibility to redeem all outstanding Bonds before the final maturity date. If the Bonds are redeemed before the final maturity date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions. However, there is a risk that the market value of the Bonds is higher than the early redemption amount (including the premium) and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

***Risks relating to the Bonds being unsecured and security over assets granted to third parties***

*Medium level risk*

The Bonds represents an unsecured obligation of the Issuer. If the Issuer is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, all of the Issuer's secured obligations must first be satisfied, potentially leaving little or no remaining assets in the Issuer for the bondholders. As a result, the bondholders may not recover any or full value.

Subject to certain limitations from time to time, the Issuer may incur additional financial indebtedness and provide additional security and guarantees for such indebtedness. Some Portfolio Companies have furthermore incurred indebtedness under senior secured bond issues and/or other debt facilities and in connection therewith granted security and guarantees including security over, *inter alia*, shares and intra-group loans. There are also no restrictions for the Portfolio Companies to incur further debt from time to time under the Terms and Conditions. As security has been granted in favour of third-party debt providers, and may be provided to additional debt providers, the Issuer will, in the event of bankruptcy, re-organisation or winding-up of any Portfolio Company, be subordinated in right of payment out of the assets being subject to security provided to such third-party debt providers. In addition, if any such third-party debt provider holding security provided by the Portfolio Company were to enforce such security due to a default by any company within the group of any Portfolio Company under the relevant finance documents, such enforcement could have a material adverse effect on the Issuer's assets, operations and financial position, and the rights of the bondholders to receive payments under the Bonds.

***Voting majority owner***

*Low level risk*

Saeid Esmaeilzadeh directly controls 100 per cent. of the shares in the Issuer's major shareholder, Dr. Saeid AB, reg. no. 559132-0337 ("**Dr. Saeid**") and indirectly controls approximately 62 per cent. of the shares in the Issuer. According to the Terms and Conditions, if a change of control event occurs, the bondholders have a right of prepayment of the Bonds (put option), please see below section "*Put Option*" regarding potential consequences of a change of control event occurring and the risk that the Issuer does not have enough liquidity to repurchase the Bonds if the bondholders use their right of prepayment. The interests of Saeid

Esmailzadeh or, following any potential change of control in the Issuer, any new majority shareholder in the Group may conflict with those of the bondholders, particularly if the Issuer encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestments, financings or other transactions that, in their judgment, could enhance the value of their equity investments although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to occur, it could have a negative effect on the Group's operations, earnings and financial position.

### **Put option**

#### *Low level risk*

According to the Terms and Conditions, the Bonds are subject to prepayment at the option of each bondholder (put options) if (i) the Initial Bonds have not been admitted to listing on Frankfurt Open Market (or another MTF or Regulated Market) within 60 days after the First Issue Date or (ii) (A) Dr. Saeid, ceases to own and control more than 50 per cent. of the shares and votes of the Issuer or (B) Saeid Esmailzadeh ceases to own and control more than 50 per cent. of the shares and votes of Dr. Saeid. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all bondholders and not only those that choose to exercise the option.

### **Benchmark Regulation**

#### *Low level risk*

Interest payable on the Bonds will be calculated by reference to STIBOR with an interest rate floor at 0.00 per cent. will apply. The process for determining STIBOR and other interest-rate benchmarks is subject to an on-going reform process that has already resulted in a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect to date is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The effect of the Benchmark Regulation cannot yet be fully determined due, among other things, to the limited time period that the regulation has been applicable. However, there is a risk that the Benchmark Regulation will affect how certain benchmarks are determined and how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks, or that some benchmarks cease to be provided. If this would happen in respect of a benchmark that is used for the Bonds, it could potentially have negative effects for the bondholders.

## **Risks related to the Bondholders' representation**

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

*Low level risk*

As at the date of this Prospectus Nordic Trustee & Agency AB (publ)) (the "**Agent**") acts as agent under the Bonds and performs administrative functions relating to the Bonds. The Agent have, among other things, the right to represent the bondholders in all court and administrative proceedings in respect of the Bonds. However, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds is subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will have a negative effect on the enforcement of the rights of the bondholders.

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

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

### ***No-action against the Issuer and bondholders' representation***

*Low level risk*

In accordance with the Terms and Conditions for the Bonds, the Agent represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking unilateral actions against the Issuer or any other Group Company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer or any other member of the Group and may therefore have no effective legal remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder may take unilateral action against the Issuer or any other member of the Group Company (in breach of the Terms and Conditions). This would adversely affect an acceleration of the Bonds or other actions against the Issuer or any other Group Company.

To enable the Agent to represent bondholders in court, the bondholders and/or their nominees may have to submit separate written powers of attorney for legal proceedings. If the bondholders fail to submit such a power of attorney this could have a negative effect on the legal proceedings. Under the Terms and Conditions, the Agent have in some cases the right to make decisions and take measures that are binding upon all bondholders. Consequently, the actions of the Agent in such matters would impact a bondholder's rights under the Terms and Conditions in a manner that could be undesirable for some bondholders.

### ***Bondholders' meetings and written procedures***

*Low level risk*

The Terms and Conditions for the Bonds include certain provisions regarding bondholders' meetings and written procedures. Such meetings and procedures may be held in order to resolve on matters relating to the bondholders' interests. The Terms and Conditions for the Bonds allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting or procedure and those who have voted differently from the required majority in a written procedure or at a duly convened and conducted bondholders' meeting. A bondholder may, for instance, be bound by a majority's decision to accept a change of the interest rate or decision to accept a change of the final maturity date. Consequently, there is a low risk that the actions of the majority in such matters will impact certain bondholders' rights in a manner that is undesirable for some of the bondholders.

## The Bonds in Brief

The following summary contains basic information about the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. Potential investors should therefore carefully consider this Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Bonds. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see the Terms and Conditions.

Unless otherwise specifically defined in this section *The Bonds in Brief*, a defined term or reference to a clause shall have the meaning ascribed to such term or refer to such applicable clause in the Terms and Conditions.

Bonds issued under this Prospectus have STIBOR as interest rate. STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). As at the date of this Prospectus, the administrator of STIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.

<b>Issuer</b>	Esmaeilzadeh Holding AB (publ).
<b>Bonds Offered</b>	<p>At the date of this Prospectus, Bonds in an aggregate amount of SEK 1,200,000,000 had been issued on the First Issue Date and this Prospectus solely relates to the admission to trading of the SEK 1,200,000,000 Bonds issued on the First Issue Date.</p> <p>The aggregate amount of the bond loan will be an amount of up to a maximum of SEK 2,400,000,000. The Issuer has not issued the full amount of Bonds on the First Issue Date and may choose to issue the remaining amount of Bonds at one or more subsequent dates.</p>
<b>Number of Bonds</b>	<p>At the date of this Prospectus 960 Bonds had been issued on the First Issue Date and this Prospectus relates to the admission to trading of the 960 Bonds issued on the First Issue Date.</p> <p>Maximum of 1,920 Bonds can be issued under the Bond framework, including the 960 Bonds issued on the First Issue Date.</p>
<b>ISIN</b>	SE0017133564.
<b>First Issue Date</b>	26 January 2022.
<b>Issue Price</b>	All bonds issued on the First Issue Date have been issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount. The issue price of the Subsequent Bonds may be at a discount or at a premium compared to the Nominal Amount.
<b>Interest Rates</b>	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 7.50 per cent. per annum. If STIBOR is below zero (0), STIBOR will be deemed to be zero (0).
<b>Use of benchmark</b>	Interest payable on the Bonds will be calculated by reference to STIBOR. As at the date of this Prospectus, the administrator of STIBOR (being the Swedish Financial Benchmark Facility) is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.
<b>Interest Payment Dates</b>	26 January, 26 April, 26 July and 26 October of each year commencing on 26 April 2022. Interest will accrue from (but excluding) the First Issue Date.
<b>Nominal Amount</b>	The Bonds will have a nominal amount of SEK 1,250,000 and the minimum permissible investment in the Bonds is SEK 1,250,000.



<b>Status of the Bonds</b>	<p>The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.</p> <p>The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.</p>
<b>Call Option</b>	<p>The Issuer has the right to redeem outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 (<i>Voluntary total redemption (call option)</i>) of the Terms and Conditions.</p>
<b>Call Option Amount</b>	<p>Call Option Amount means:</p> <ul style="list-style-type: none"> <li>(a) from and including the First Issue Date to, but excluding, the first Business Day falling 18 months after the First Issue Date an amount per Bond equal to 103.75 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c) of the Terms and Conditions, up to, and including, the first Business Day falling 18 months after the First Issue Date, together with accrued but unpaid Interest;</li> <li>(b) from and including the first Business Day falling 18 months after the First Issue Date to, but excluding, the first Business Day falling 24 months after the First Issue Date an amount per Bond equal to 103.75 per cent. of the Nominal Amount, together with accrued but unpaid Interest;</li> <li>(c) from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date an amount per Bond equal to 102.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and</li> <li>(d) from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the Final Maturity Date an amount per Bond equal to 100.75 per cent. of the Nominal Amount, together with accrued but unpaid Interest.</li> </ul>
<b>Final Maturity Date</b>	<p>Means 26 January 2025.</p>
<b>Mandatory repurchase due to a Change of Control Event and Listing Failure Event (put option)</b>	<p>Upon the occurrence of a Change of Control Event or a Listing Failure Event, each Bondholder shall have the right to request that all, or only some, of its Bonds be repurchased at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest.</p>
<b>Change of Control Event</b>	<p>Means the occurrence of an event or series of events whereby:</p> <ul style="list-style-type: none"> <li>(a) Dr. Saeid AB, reg. no. 559132-0337, ceases to own and control more than 50 per cent. of the shares and votes of the Issuer; or</li> <li>(b) the Main Shareholder ceases to own and control more than 50 per cent. of the shares and votes of Dr. Saeid AB.</li> </ul>
<b>Main Shareholder</b>	<p>Means Saeid Esmaeilzadeh.</p>
<b>Listing Failure Event</b>	<p>Means:</p> <ul style="list-style-type: none"> <li>(a) the Initial Bonds have not been admitted to listing on Frankfurt Open Market (or another MTF or Regulated Market) within 60 days after the First Issue Date;</li> <li>(b) any Subsequent Bonds issued before the date when the Initial Bonds been listed on a Regulated Market have not been admitted to listing on Frankfurt Open Market (or another MTF or Regulated Market) within 60 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued</li> </ul>

before the date when the Initial Bonds been listed on Frankfurt Open Market (or another MTF) in which case such Subsequent Bonds shall be listed together with the Initial Bonds); or

- (c) in the case of a successful admission to listing, that the Bonds cease to be admitted to listing on Frankfurt Open Market (or another MTF) without being admitted to trading on another MTF or Regulated Market (however, taking into account the rules and regulations of the relevant Regulated Market, and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

#### **Certain Covenants**

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

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

The Terms and Conditions contain maintenance covenants which shall be tested quarterly by the Issuer, including:

- Minimum Cash and Liquid Securities shall at all times be at least (i) from (and including) the First Issue Date until (and including) the date falling 24 months after the First Issue Date, SEK 250,000,000 and (ii) from (but excluding) the date falling 24 months after First Issue Date until (and including) the Final Maturity Date, SEK 500,000,000; and
- the ratio of Net Interest Bearing Debt to Net Asset Value (expressed as a percentage) shall not be greater than 30 per cent.

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

#### **Use of Proceeds**

The Net Proceeds of the Initial Bond Issue have been and/or shall be used to (i) finance acquisitions, capital expenditure and operational expenditure, and (ii) finance Transaction Costs.

The proceeds from any Subsequent Bond Issue shall be used to (i) finance acquisitions, capital expenditure and operational expenditure, and (ii) finance Transaction Costs.

#### **Transfer Restrictions**

The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

#### **Listing**

Application has been made to list the 960 Bonds, issued on the First Issue Date, on Nasdaq Stockholm. The earliest date for admitting the 960 Bonds to trading on Nasdaq Stockholm is on or about 30 June 2022.

#### **Agent**

Nordic Trustee & Agency AB (publ).

#### **Issuing Agent**

Pareto Securities AB.

#### **Governing Law of the Bonds**

Swedish law.

#### **Risk Factors**

Investing in the Bonds involves substantial risks and prospective investors should refer to the section "*Risk Factors*" for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

## Statement of Responsibility

The issuance of the Bonds was authorised by resolutions taken by the board of directors of the Issuer on 7 January 2022, and was subsequently issued by the Issuer on 26 January 2022. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

After the expiration date of this Prospectus, being 30 June 2023, the obligation to supplement the prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the prospectus is no longer valid.

The board of directors of the Company is, to the extent provided by law, responsible for the information set out in this Prospectus and declares that to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

30 June 2022

Esmailzadeh Holding AB (publ)

*The board of directors*

## **Description of Material Agreements**

The Issuer has not entered into any material agreement that are not entered into in the ordinary course of its business, which could result in the Issuer being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders under the Terms and Conditions.

## Description of the Group

### History and development

The Issuer was incorporated on 17 February 2020 and is a Swedish public limited liability company operating under the laws of Sweden and registered with the Swedish Companies Registration Office with reg. no. 559242-7388. The Issuer's legal entity identifier (LEI) is 549300T6QRNXUOE2MB11.

The Issuer's registered office headquarters at Strandvägen 5 A, 114 51, Stockholm, Sweden with telephone number +46 (0) 728 39 82 05. The website of the Issuer is <https://ehab.group/>. The information on the Issuer's website or any other website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus and has not been scrutinised or approved by the SFSA.

In accordance with the articles of association of the Company, adopted on 27 December 2021, the objects of the Company are to, directly or indirectly, own and manage real property and movable property and thereto related business.

### Background

The Issuer was founded in 2020 by Saeid Esmaeilzadeh and Mouna Esmaeilzadeh and is an entrepreneurial driven investment company. Saeid Esmaeilzadeh is an experienced entrepreneur and have participated in the foundation of companies such as Diamorph, Sdipotech, Xbrane Biopharma, Serendipity Group and OrganoClick, of which a few have been listed on Nasdaq Stockholm. Through the foundation of the Issuer, the founders have formalised investments made over the years and further intend to continue the entrepreneurial journey, and to attract external capital.

The Issuer invests in and establishes acquisition-oriented niche companies, to benefit from innovation and development in different sectors e.g., infrastructure, services, TMT (technology, digital media and telecom) and real estate. The Issuer's main investment focus is founding and developing operational groups, i.e. stable and cash-flow generating companies with significant growth potential, both organically and through acquisitions of private small to medium-sized enterprises. The investment portfolio further, to a smaller extent, consists of other liquid securities, currently with the main holding within life science and infrastructure as well as a smaller Venture Capital portfolio.

### Business operations

The Issuer's investment portfolio is split into three different segments; operational groups, liquid assets and venture capital.

- The operational groups segment covers the Issuer's investments in operational companies which focuses on acquiring stable cash-flow generating companies.
- The liquid assets segment covers the Issuer's investments in publicly listed companies.
- The venture capital segment covers investments in non-public growth companies with a clear exit strategy.

As of 31 December 2021, the aggregated fair value of the Issuer's portfolio amount to SEK 4.5 billion. The below table illustrates the split between the three segments and how much of the total portfolio value each of the segments accounted for as of 31 December 2021.

Portfolio companies (SEKm)	Fair value 31 Dec 2021
Dentalum Group AB	630,5
Etrium AB	50,6
Mirovia Holding AB (through Furbo Partners AB and Furbo Capital AB)	956,0
Novedo Holding AB	1 045,0
Rebellion Capital AB	332,3
Samfastigheter i Norden AB	92,2
Älven Group AB (through SLDB AB)	340,9
Other Operational Group investments*	10,6
Total Operational Groups	3 458,0
Centripetal AB (through Centripetal Partner AB)	333,7
Hidden Dreams AB	13,3
Other Venture Capital investments*	6,3
Total Venture Capital	353,3
Endowment insurance***	215,9
Sdipotech AB	471,5
Cash and cash equivalents	15,8
Total liquid assets	703,2
Total portfolio value	4 514,5

\*) Other Operational Group-investments included holdings in Crutiq AB, Plenius AB, EHAB Europe AB, Esmaeilzadeh Invest AB (publ), Mangia Mangia AB, and a claim for shares in Botello AB.

\*\*) Other Venture Capital investments include holdings in Chaintraced AB, Tendmill AB, Vivium AB and Vivologica AB.

\*\*\*) The value of the endowment insurance is to 73 per cent. composed of shares in Xbrane Biopharma AB (publ).

## Strategy and investment strategy

The Issuer works within deep niches, business areas and segments in various industries. The Issuer intends to be an investment company with a portfolio that is active in its investments or acquisitions, with well-balanced risk spread and a low economic sensitivity due to industry diversification.

### Operational Groups

The predominant part of the Issuer's portfolio consists of investments in acquisition-oriented operational groups.

The operational groups focus on stable profitable businesses with margins above industry standard. The groups seek SME companies that operate in deep niches, with high barriers to entry and strive to hedge for the future through avoiding companies, industries, and jurisdictions that are subject to political risk, permits or licences to operate, and/or are subjected to disruptive technological changes.

All of the operational groups and Acquired Companies operate with a high degree of independence, to promote entrepreneurial innovation. Due to the operational groups' strict investment criteria and overall focus on profitable and stable companies, the strategy is to let acquired companies operate independently and let the entrepreneurs be entrepreneurs, regardless of the new ownership.

The establishment of an operational group is usually preceded by an idea or business opportunity within the organisation or as a result of an interesting proposal from an external party. The business opportunity is then analysed and evaluated based on its potential for shareholder returns. The Issuer has set criteria that must be fulfilled to advance with an opportunity.

If the opportunity is considered attractive after an initial analysis, the opportunity can be formalised through an in-depth analysis with associated business plan. Criteria such as market size, acquisition opportunities, resilience, company valuations and risk analysis are assessed and analysed.

Once a business plan has been developed, the Issuer recruits a management group and board for the new company, together with potential co-founders. The Issuer invests in and finances the company to be able to quickly execute on the business plan and set goals.

The Issuer remains an active owner through its engagement not only in the operational groups' boards, but also in investment committees. The Issuer also contributes with certain support functions until the point at which the group is self-sufficient. Some of the resources that the Issuer can contribute include financing of the initial acquisitions, HR, legal, communication, and analysis.

To support the Issuer's operational groups, the Issuer has documented and codified best practices among the operational groups, in a so-called "playbook" to encourage sharing of experiences and accelerated start-up stages. In this, the operational groups find support in everything from financing structures, how they need to manage acquisition processes to communication tips and various forms of standardised templates.

### Venture Capital

The Venture Capital segment consists of the Issuer's two platforms for venture capital investments, the investment company Centripetal and the company builders Hidden Dreams, and certain direct investments in some of the companies in which Hidden Dreams is a co-founder.

Through the Issuer's market position and network, enquiries are often received regarding minority investments in interesting and advanced growth companies, or investments prior to promising public listings. The Issuer can indirectly make this type of minority investments with an agile investment platform like Centripetal.

The Issuer's investment in Hidden Dreams entails opportunities to make indirect investments in newly established companies on a continuous basis. The companies have a clear focus on using digitisation as a main driver to solve hidden problems in society through SaaS solutions.

The Issuer is primarily active in holdings through governance work and through investment committees.

### Liquid Assets

Unlike the Issuer's other holdings, the publicly listed holdings in the Liquid Assets segment are considered passive. The Issuer is highly confident not only that the holdings listed will generate positive results over time, but that they can also be seen as an important component in efficient cash management and liquidity planning. The Issuer continuously evaluates whether capital can be used more efficiently through other investments.

### **Portfolio overview**

The Company's investment portfolio mainly consists of holdings whereby the Company is the principal owner. As of 31 December 2021, the fair value of the Company's investment portfolio was SEK 4.5 billion.

The investment portfolio currently consists of significant holdings in, amongst others, Dentalum Group AB, Rebellion Capital AB, Novedo Holding AB (publ), Centripetal Partner AB and Lyvia Group AB. Furthermore, the Company has a minority stake in Sdiptech AB (publ) which is listed on Nasdaq Stockholm Large Cap.

Company	Fair value, 31 May 2022 (SEK)	Share of investment portfolio
Chaintraced AB	2,000,000	0.0%
Hidden Dreams AB	18,922,000	0.2%
Samfastigheter i Norden AB	107,162,000	1.2%
Novedo Holding AB	1,059,983,000	11.8%
Dentalum Group AB	630,503,000	7.0%
Sdiptech AB (publ)	401,121,000	4.5%
Vivologica AB	3,041,000	0.0%
Lyvia Group AB	5,000,000,000	55.7%
Tendmill AB	3,760,000	0.0%
Vivium AB	5,204,000	0.1%
Rebellion Capital AB	1,082,051,000	12.1%
Centripetal Partner AB	333,681,000	3.7%

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

A selection of the Issuer's investments has been presented below.



## Lyvia Group and its portfolio companies

### LYVIA GROUP AB

Portfolio company	Lyvia Group AB
Share of the portfolio	55.7 per cent.
Value as of 31 May 2022	SEK 5,000,000,000
Registered office	Stockholm, Sweden
Chief Executive Officer	Sebastian Karlsson
Website	<a href="https://www.lyvia.group">https://www.lyvia.group</a>

Lyvia Group is an operational group founded in 2022 whose main business is to acquire entrepreneur-led companies in a variety of niche sectors.

The group has investment teams focusing on the Nordics, the United Kingdom, the Netherlands, Poland, Spain and Germany. The group is also composed of several entities with a Nordic focus which have been described below.



Mirovia AB is a Nordic group whose main business is to invest in entrepreneur-led companies offering software solutions and niche IT services in mission-critical areas. The group possesses expertise in ERP systems, system development and software development, among other areas.

Äleven AB builds and invests in consulting companies that assist customers navigate and grow in the digital era. The focus areas are customer services in digital transformation and communication, with a value offering covering digital strategy, brand building, web/application development, marketing and product development.

Eitrium AB aims to be a diversified Nordic group that invests in established product and manufacturing companies in niche markets. The vision is to create the safest port for small and medium-sized entrepreneurial companies with market-leading products.



Crutiq AB is a Nordic group that manages and acquires stable and profitable recruitment and staffing companies. Crutiq contributes with the resources and conditions required to make investments for growth, long-term and continued competitiveness. As part of Crutiq, entrepreneurs can focus on the business and benefit from the group's financial security, extensive network and knowledge.

Plenius AB forms an operational group targeting Spanish niche companies in the IT consulting sector, by optimizing operations in an efficient way. Plenius believes in the potential of combining shared passion and entrepreneurial experience to build a group of companies that make full use of the opportunities of digitalisation.

Ametalis AB was established in 2022 and forms an operational group investing and developing well maintained and profitable companies with a goal to decrease the environmental effects, accelerate the transition to a circular economy or enable sustainable usage of water or energy resources.

Kaperia AB was established in 2022 and forms an operational group investing in the long-term success of European software companies and their leaders.

## A selection of EHAB's other portfolio companies



Portfolio company	Novedo Holding AB (publ)
Share of the portfolio	11.8 per cent.
Value as of 31 May 2022	SEK 1,059,983,000
Registered office	Stockholm, Sweden
Chief Executive Officer	Anders Eriksson
Website	<a href="https://novedo.se/">https://novedo.se/</a>

Novedo is an industrial group that acquires and develops companies offering real estate services with proven business models, that have developed niche positions, while maintaining a healthy company culture. The acquired companies continue to be operated in the same spirit as previously and are given individual requirements to develop over time and create the best possible growth in value.



Portfolio company	Dentalum Group AB
Share of the portfolio	7.0 per cent.
Value as of 31 May 2022	SEK 630,503,000
Registered office	Stockholm, Sweden
Chief Executive Officer	Max Dorthé Ladow
Website	<a href="https://www.dentalum.com/">https://www.dentalum.com/</a>

Dentalum was established by dentists, entrepreneurs and visionaries. Dentalum creates a new experience in dental care. The company's main business is consolidating dental clinics in several regions around Sweden.



Portfolio company	Rebellion Capital AB
Share of the portfolio	12.1 per cent.
Value as of 31 May 2022	SEK 1,082,051,000
Registered office	Stockholm, Sweden
Chief Executive Officer	Amin Omrani
Website	<a href="https://rebellioncapital.se/">https://rebellioncapital.se/</a>

Rebellion is a group that acquires and develops SMEs in niche markets. Rebellion's focus is on supporting entrepreneurs and jointly creating the conditions for continuing value growth. The group of companies is made up of three business segments - infrastructure, niche manufacturing and niche trading.



Portfolio company	Centripetal Partner AB
Share of the portfolio	3.7 per cent.
Value as of 31 May 2022	333,681 SEK
Registered office	Stockholm, Sweden
Chief Executive Officer	Kristoffer Ahlbom

Centripetal is a venture-focused investment company investing in growth companies with a clear exit strategy within 12-18 months. Centripetal has approximately 20 holdings in a number of sectors, including telecommunications, fintech, digital health and logistics. Centripetal holds shares in companies such as MEDS, Airmee, Acamp, Sitoo, Workaround, AiBetic, Nextory, Mindler, and Clar Global.



Portfolio company	Hidden Dreams AB
Share of the portfolio	0.2 per cent.
Value as of 31 May 2022	SEK 18,922,000
Registered office	Stockholm, Sweden
Chief Executive Officer	Maria Norberg
Website	<a href="https://hiddendreams.se/">https://hiddendreams.se/</a>

Hidden Dreams are company builders that specialises in solving deep niche, time-consuming and manual problems within B2B processes by means of new software-based solutions. Hidden Dreams identifies digital solutions for B2B processes through a combination of social media crowdsourcing and an active outreach. Based on sourcing, Hidden Dreams sets up companies that can develop scalable solutions to the identified problems. The Company has founded 16 businesses so far, of which 8 are currently being set up.



Portfolio company	SdipTech AB (publ)
Share of the portfolio	4.5 per cent.
Value as of 31 May 2022	SEK 401,121,000
Registered office	Stockholm, Sweden
Chief Executive Officer	Jakob Holm
Website	<a href="https://www.sdipTech.se/">https://www.sdipTech.se/</a>

SdipTech is an infrastructure group, providing specialised technology, solutions and services to the expanding infrastructures of modern society. The company's business model entails acquiring and developing niche companies, contributing to creating more sustainable, efficient and safer societies. Overall objective to create sustainable, long-term growth in value and to become a leading European provider of niched offerings in the infrastructure sector. SdipTech is publicly listed on Nasdaq Stockholm Large Cap with the ticker SDIPB. SdipTech was founded in 2013 by Saeid Esmaeilzadeh and Ashkan Pouya.

## Share capital and ownership structure of the Issuer

The shares of the Issuer are denominated in SEK. The ordinary shares of series A carry 10 votes each and ordinary shares of series B carry 1 vote each. As of the date of this Prospectus, the Issuer had an issued share capital of SEK 795,898.950 divided into 225,820 shares of series A and 532,179 shares of series B. The Issuer has issued a total of 757,999 shares.

The following table sets forth the ownership structure in the Issuer as per 4 June 2022.

Shareholder	No. of A-shares	No. of B-shares	Share capital	Voting Rights
Dr. Saeid AB <sup>1</sup>	225,820	245,026	62.12%	89.71%
Vincero Invest AB	0	75,800	10.00%	2.72%
F. Holmström Private Equity AB <sup>2</sup>	0	16,216	2.14%	0.58%
F Holmström PE 3 AB	0	26,400	3.48%	0.95%
F Holmström PE 5 AB	0	26,108	3.44%	0.94%

<sup>1</sup> Dr. Saeid AB is wholly-owned by Saeid Esmaeilzadeh.

<sup>2</sup> Controlled by Fredrik Holmström.

Hajab Invest AB	0	23,587	3.11%	0.85%
Third Tier Holding AB	0	17,909	2.36%	0.64%
Sebastian Karlsson Invest AB	0	11,778	1.55%	0.42%
Fredrik Holmström	0	11,129	1.47%	0.40%
F. Holmström Fastigheter AB	0	9,654	1.27%	0.35%
Other shareholders	0	68,572	9.06%	2.44%
<b>Total</b>	<b>225,820</b>	<b>532,179</b>	<b>100.00 %</b>	<b>100.00 %</b>

The shareholders' influence is exercised through active participation in the decisions made at the general meetings of the Issuer. To ensure that the control over the Issuer is not abused, the Issuer complies with the relevant laws in Sweden including among others the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). In addition, the Issuer will act in compliance with the rules of Nasdaq Stockholm following the admission to trading of the Bonds.

### Recent events

There has been no recent event particular to the Group which is to a material extent relevant to the evaluation of the Issuer's solvency.

### Significant change, trend information and financial performance

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

### Legal, governmental and arbitration proceedings

Neither the Issuer nor the Group is, or has been over the past twelve months been, a party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. Nor is the Issuer aware of any such proceedings which are pending or threatening and which could lead to the Issuer or any member of the Group becoming a party to such proceedings.

### Credit rating

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

## Management of the Issuer

On the date of this Prospectus the board of directors of the Issuer consisted of five members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Strandvägen 5 A, 114 51, Stockholm, Sweden. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

#### ***Mouna Esmaeilzadeh, chairman of the board since 2021***

**Education:** M.D. and P.h.D. in Neuroscience, Karolinska Institutet  
**Current engagements:** Chairman of the board of directors of Esmaeilzadeh Invest AB (publ) and member of the board of directors of Mirovia AB (publ), Novedo AB, Centripetal AB and Eitrium AB.

#### ***Saeid Esmaeilzadeh, member of the board since 2020***

**Education:** P.h.D. in Material Chemistry, Stockholm University.  
**Current engagements:** Chairman of the board of directors of Mirovia Holding AB and Centripetal AB, member of the board of directors and chief executive officer of Esmaeilzadeh Invest AB (publ) and member of the board of directors of Serendipity Group AB, Dr. Saeid AB, Dentalum Group AB, Novedo AB and Mirovia AB (publ).

#### ***Fredrik Holmström, member of the board since 2022***

**Education:** B.Sc. in Business Administration, IUM, Monaco.  
**Current engagements:** Chairman of the board of directors of Magnolia Bostad AB and Holmström Fastigheter Holding AB (publ) and member of the board of directors of Mirovia AB (publ), F. Holmström Fastigheter AB and SACHAJUAN Haircare Aktiebolag.

#### ***Sebastian Karlsson, member of the board since 2021***

**Education:** -  
**Current engagements:** CEO of Mirovia AB (publ) and Lyvia Group AB. Chairman of the board of directors of Lemontree Enterprise Solutions AB, So4it AB, Svenska Försäkringsfabriken i Umeå AB, Acino AB and Transformant Group AB and member of the board of directors of Esmaeilzadeh Invest AB (publ).

#### ***Roberto Rutili, member of the board since 2021***

**Education:** B.Sc. in International Management and B.Sc. in Business and Economics within the field of Managerial Control Systems from Uppsala University.  
**Current engagements:** Member of the board of directors and CEO of Vincero AB and member of the board of directors Doktorse Nordic AB, Dentalum AB, Dentalum Group AB and Mirovia Holding AB.

**Management*****Saeid Esmailzadeh, Chief Executive Officer***

**Education:** See "Management of the Issuer - Board of directors" for further details.

**Current commitments:** See "Management of the Issuer - Board of directors" for further details.

***Sarmad Nekomanesh Fard, Chief Financial Officer***

**Education:** M.Sc. in Industrial Engineering and Management, KTH Royal Institute of Technology.

**Current commitments:** None.

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

Some members of the board of directors and management have private interests in the Issuer by their direct and/or indirect holding of shares in the Issuer. The members of the board of directors and the management may serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Issuer may participate, the members of the board of directors or the management may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a board meeting of the Issuer, a board member which has such a conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. In accordance with the laws of Sweden, the members of the board of directors of the Issuer are required to act honestly, in good faith and in the best interests of the Issuer. Other than the aforementioned, none of the board members or the management has any private interests which may conflict with the interests of the Issuer.

**Interest of natural and legal persons involved in the issue**

The Joint Bookrunners and/or their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners and/or their affiliates having previously engaged, or engaging in the future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

## Historical Financial Information

The Group's consolidated financial statements for the financial year ended 31 December 2021 and certain pages as referred to below of the Group's consolidated financial statements for the financial year ended 31 December 2020 are incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. All such information is available on the Issuer's website, <https://ehab.group/>. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2021 and 31 December 2020 have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the EU.

Other than the auditing of the Group's consolidated financial statements for the financial year ended 31 December 2021 and for the financial year ended 31 December 2020, the Issuer's auditor has not audited or reviewed any part of this Prospectus.

The Group's consolidated financial statements for the financial year ended 31 December 2021 is incorporated into this Prospectus by reference. For particular financial figures, please refer to the pages set out below:

- consolidated income statement, page 25;
- consolidated balance sheet, page 26;
- consolidated cash flow statement, page 28;
- consolidated statement of changes in equity, page 27;
- notes, pages 29 – 45; and
- the audit report, pages 56 – 58.

The following pages and financial figures of the Group's consolidated financial statements for the financial year ended 31 December 2020 are incorporated into this Prospectus by reference:

- consolidated income statement, page 5;
- consolidated balance sheet, page 7;
- consolidated cash flow statement, page 9;
- consolidated statement of changes in equity, page 8;
- notes, pages 15 – 31; and
- the audit report, pages 33 – 34.



**Auditing of the annual historical financial information**

The Group's consolidated financial statements for the years 2021 and 2020 have been audited by KPMG AB, Box 3018, 169 03, Solna. KPMG AB has been the Company's auditor since 2020, and was re-elected for an additional year on the latest annual general meeting on 30 May 2022. Duane Swanson is the auditor who is responsible for the Company. Duane Swanson is an authorised auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

The auditing of the consolidated financial statements was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

**Age of the most recent financial information**

The most recent financial information has been taken from the Group's consolidated financial statements for the financial year ended 31 December 2021, which was published on 29 April 2022 on the Issuer's website <https://ehab.group/>.

## Other Information

### Approval of the Prospectus

This Prospectus has been approved by Finansinspektionen, as competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council. Finansinspektionen only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of the European Parliament and of the Council. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this prospectus nor of the Issuer that is the subject of this prospectus and investors should make their own assessment as to the suitability of investing in the securities.

### Clearing and settlement

As of the date of this Prospectus, Bonds have been issued in an amount of SEK 1,200,000,000 and the Issuer may, subject to certain conditions set out in the Terms and Conditions, issue additional Bonds in a maximum aggregate amount of SEK 2,400,000,000. Each Bond has a nominal amount of SEK 1,250,000. The ISIN for the Bonds is SE0017133564.

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

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and can be accessed on the Issuer's website: <https://ehab.group/>.

### Material contracts

The Group has not entered into any material contracts that are not in the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

### Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at <https://ehab.group/>:

- the Group consolidated financial statements and audit report for the financial year ended 31 December 2021; and
- pages no. 5, 7-9, 15-31 and 33-34 of the Group's consolidated financial statements for the financial year ended 31 December 2020.

**Documents available for inspection**

The following documents are available at the Company's headquarters at Strandvägen 5 A, 114 51, Stockholm, Sweden, on weekdays during the Company's regular office hours, and, in electronic form on the Company's website <https://ehab.group/>, throughout the period of validity of this Prospectus.

- the Company's articles of association;
- the Company's certificate of registration;
- the Terms and Conditions; and
- this Prospectus.

**Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 250,000.

**Terms and Conditions of the Bonds**

ESMAEILZADEH  
HOLDING

**Terms and Conditions**

**Esmailzadeh Holding AB (publ)**

**Up to SEK 2,400,000,000**

**Senior Unsecured Floating Rate Bonds**

**ISIN: SE0017133564**

**18 January 2022**

Other than the registration of the Bonds under Swedish law, 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 this document or any other material relating to the Issuer or the Bonds in any jurisdiction where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.

# 1. Definitions and Construction

## 1.1 Definitions

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

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

**"Accounting Principles"** means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

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

**"Advance Purchase Agreements"** means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services in the normal course of business with credit periods which are not longer than 90 days after the supply of assets or services, or (b) any other trade credit incurred in the ordinary course of business when payment is due no more than 90 days of the date of trade.

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

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

**"Agent"** means Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

**"Base Rate"** means STIBOR or any reference rate replacing STIBOR in accordance with Clause 19 (*Replacement of Base Rate*).

**"Base Rate Administrator"** means Swedish Financial Benchmark Facility AB (SFBF) in relation to STIBOR or any person replacing it as administrator of the Base Rate.

**"Bond"** means a debt instrument (*Sw. skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

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

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 16 (*Bondholders' Meeting*).

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

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

**"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.

**"Call Option Amount"** mean the amount set out in Clause 9.3 (*Voluntary total redemption (call option)*), as applicable.

**"Cash"** means, at any time cash in hand held by the Issuer or with a reputable bank credited to an account in the name of the Issuer and in each case to which the Issuer is beneficially and legally entitled and which is immediately available to be applied in repayment or prepayment of the Bonds or payment of interest (for the avoidance of doubt, not including e.g. any cash subject to a pledge or similar arrangement (excluding legal right to set-off) or any amount standing on client accounts).

**"Change of Control Event"** means the occurrence of an event or series of events whereby:

- (a) Dr. Saeid AB, reg. no. 559132-0337, ceases to own and control more than 50 per cent. of the shares and votes of the Issuer; or
- (b) the Main Shareholder ceases to own and control more than 50 per cent. of the shares and votes of Dr. Saeid AB.

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

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it;
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated); and/or
- (c) if the Compliance Certificate is provided in connection with that a Financial Report is made available, that the Maintenance Covenants are met (including figures in respect of the relevant financial tests and the basis on which they have been calculated).

**"Consolidated Subsidiary"** means a direct or indirect Subsidiary of the Issuer, provided that such Subsidiary in accordance with IFRS applicable on the First Issue Date (a) does not constitute a financial investment (*Sw. finansiell investering*) of the Issuer or a Subsidiary of the Issuer and (b) is consolidated with the Issuer pursuant to IFRS applicable on the First Issue Date, and for the avoidance of doubt, any Subsidiary from time to time which does constitute a financial investment or is not consolidated with the Issuer under IFRS as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of IFRS, be considered as Consolidated Subsidiary and any reclassification of the Issuer from an investment company under IFRS following the First Issue Date shall not be taken into consideration for the purpose of this definition.

**"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, 101 23 Stockholm, Sweden.

**"Debt Instruments"** means bonds, notes or other debt securities (however defined), which are or are intended to be quoted, listed, traded or otherwise admitted to trading on a Regulated Market or an MTF.

**"Equity"** means, in accordance with the Accounting Principles, the consolidated sum of (i) restricted equity, (ii) non-restricted equity and (iii) any Subordinated Debt.

**"Excess Value"** means the difference between (a) the market value of any Liquid Securities and (b) the book value of such Liquid Securities.

**"Event of Default"** means an event or circumstance specified in any of the Clauses 13.1 (*Non-Payment*) to and including Clause 13.10 (*Continuation of the Business*).

**"Final Maturity Date"** means 26 January 2025.

**"Finance Documents"** means:

- (a) these Terms and Conditions;
- (b) the Agency Agreement;
- (c) the Proceeds Account Pledge Agreement (if any);
- (d) the Subordination Agreement (if any); and
- (e) any other document designated by the Issuer and the Agent as a Finance Document.

**"Finance Leases"** means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Accounting Principles.

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

- (a) monies borrowed or raised, including Market Loans;

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

**"Financial Instruments Accounts Act"** means the Swedish Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

**"Financial Report"** means the Group's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 10.1(a)(i) and 10.1(a)(ii).

**"First Issue Date"** means 26 January 2022.

**"Floating Rate Margin"** means 7.50 per cent. *per annum*.

**"Force Majeure Event"** has the meaning set forth in Clause 26(a).

**"Gross Debt"** the aggregate interest bearing Financial Indebtedness of the Group in accordance with the Accounting Principles of the Group.

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

**"Incurrence Test"** means the incurrence test set out in Clause 11.4 (*Incurrence Test*).

**"Initial Bond Issue"** means the issuance of the Initial Bonds.

**"Initial Bonds"** means the Bonds issued on the First Issue Date.

**"Insolvent"** means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason



of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

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

"**Interest Payment Date**" means 26 January, 26 April, 26 July and 26 October each year. The first Interest Payment Date shall be 26 April 2022. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

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

"**Interest Rate**" means the Base Rate plus the Floating Rate Margin, as adjusted by any application of Clause 19 (*Replacement of Base Rate*).

"**Investment Subsidiary**" means (a) a direct or indirect Subsidiary of the Issuer which does not constitute a Consolidated Subsidiary and (b) a direct or indirect associate company (Sw. *intressebolag*) of the Issuer.

"**Issuer**" means Esmailzadeh Holding AB (publ), limited liability company incorporated in Sweden with reg. no. 559242-7388.

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

"**Joint Bookrunners**" means ABG Sundal Collier AB and Pareto Securities AB.

"**Listing Failure Event**" means:

- (a) the Initial Bonds have not been admitted to listing on Frankfurt Open Market (or another MTF or Regulated Market) within 60 days after the First Issue Date;
- (b) any Subsequent Bonds issued before the date when the Initial Bonds been listed on a Regulated Market have not been admitted to listing on Frankfurt Open Market (or another MTF or Regulated Market) within 60 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date when the Initial Bonds been listed on Frankfurt Open Market (or another MTF) in which case such Subsequent Bonds shall be listed together with the Initial Bonds); or
- (c) in the case of a successful admission to listing, that the Bonds cease to be admitted to listing on Frankfurt Open Market (or another MTF) without being admitted to trading on another MTF or Regulated Market (however, taking into account the

rules and regulations of the relevant Regulated Market, and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

**"Liquid Securities"** means commercial papers or securities held by the Issuer for which a recognised trading market exists and which are denominated and payable in freely transferable and freely convertible currency to which the Issuer is alone beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any Security.

**"Main Shareholders"** means Saeid Esmailzadeh.

**"Maintenance Covenants"** means the maintenance covenants set out in Clause 11.1 (*Maintenance Covenants*).

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

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

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

**"Minimum Cash and Liquid Securities"** means the aggregate amount of Cash and Liquid Securities held by the Issuer.

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

**"Net Asset Value"** means the aggregate amount of Equity of the Issuer and Excess Value.

**"Net Interest Bearing Debt"** means the aggregate interest bearing Financial Indebtedness less cash and cash equivalents of the Group in accordance with the Accounting Principles of the Group (for the avoidance of doubt, excluding guarantees (other than Investment Subsidiary Guarantees), bank guarantees, Subordinated Debt, any claims subordinated pursuant to a subordination agreement and interest bearing Financial Indebtedness borrowed from any Group Company).

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

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

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

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) incurred by the Issuer under any Revolving Credit Facility;
- (c) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (d) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions and/or any Revolving Credit Facility, but not any transaction for investment or speculative purposes;
- (e) of any Group Company incurred pursuant to any Finance Leases incurred in the ordinary course of the Group's business in a maximum amount of SEK 5,000,000;
- (f) of the Group incurred pursuant to, or under guarantees issued for, any Finance Leases in the form of offices or premises used in the ordinary course of the Group's business;
- (g) arising in connection with an acquisition made by a member of the Group in the form of deferred purchase price;
- (h) of the Issuer under any guarantee issued by a Group Company in the ordinary course of business;
- (i) of the Issuer under any guarantee or indemnity issued in favour of Financial Indebtedness (other than Market Loans) incurred by an Investment Subsidiary, provided that such Financial Indebtedness is incurred:
  - (i) prior to the First Issue Date ("**Existing Investment Subsidiary Guarantees**"); or
  - (ii) after the First Issue Date, provided that such Financial Indebtedness meets the Incurrence Test tested pro forma including such incurrence ("**New Investment Subsidiary Guarantees**", and together with any Existing Investment Subsidiary Guarantees, the "**Investment Subsidiary Guarantees**");
- (j) incurred by the Issuer from another Group Company (including any cash pool arrangements);
- (k) incurred under any Subordinated Debt;
- (l) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested pro forma including such incurrence, and:
  - (i) is incurred as a result of a Subsequent Bond Issue; or

- (ii) ranks *pari passu* with the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur no less than nine months after the Final Maturity Date;
- (m) incurred under Advance Purchase Agreements;
- (n) incurred under any pension and tax liabilities in the ordinary course of business by the Issuer;
- (o) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (taking into account the rules and regulations of the CSD), for the purpose of securing, inter alia, the redemption of the Bonds; and
- (p) not covered under paragraphs (a)-(o) above in an aggregate maximum amount of SEK 15,000,000.

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

- (a) provided under the Finance Documents;
- (b) arising by operation of law or in the ordinary course of business (including 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);
- (c) provided arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including any group cash pool arrangements;
- (d) provided in relation to any lease agreement entered into by the Issuer in the ordinary course of business and on normal commercial terms;
- (e) provided over any assets being subject to a Finance Lease, permitted pursuant to paragraph (e) of the definition of "Permitted Debt";
- (f) any Security created for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);
- (g) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (h) any Security provided by or over a Group Company to secure any Permitted Debt referred to in paragraphs (c), (d) and (n) of the definition "Permitted Debt"; or

- (i) not covered under paragraphs (a) - (h) above securing an aggregate maximum amount of SEK 15,000,000.

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

**"Proceeds Account"** means a bank account of the Issuer, into which the Net Proceeds will be transferred (unless all Conditions Precedent for Disbursement have been satisfied prior to the First Issue Date) and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

**"Proceeds Account Pledge Agreement"** means the pledge agreement entered into between the Issuer and the Agent on or prior to the First Issue Date (unless all Conditions Precedent for Disbursement have been satisfied prior to the First Issue Date) in respect of a first priority pledge over the Proceeds Account and all funds held on the Proceeds Account from time to time, granted in favour of the Agent and the Bondholders (represented by the Agent).

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

**"Record Date"** means the fifth 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 14 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

**"Redemption Date"** means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 9 (*Redemption and Repurchase of the Bonds*).

**"Reference Date"** means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

**"Reference Period"** means each period of 12 consecutive calendar months.

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

**"Restricted Payment"** has the meaning set forth in Clause 12.2(a).

**"Revolving Credit Facility"** means any revolving credit facility provided for the general corporate purposes of the Group in the maximum amount of SEK 50,000,000.

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

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

**"Subordinated Debt"** means any subordinated loan made to the Issuer as debtor, if such loan:

- (a) according to the Subordination Agreement is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur no less than twelve months after the Final Maturity Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable no less than twelve months after the Final Maturity Date.

**"STIBOR"** means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Base Rate Administrator for Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the Refinitiv screen (or through such other system or on such other page as replaces the said system or page)) as of or around 11.00 a.m. on the Quotation Day;
- (b) if no rate as described in paragraph (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing, as displayed on page STIBOR= of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Swedish Kronor;
- (c) if no rate as described in paragraph (a) or (b) is available for the relevant Interest Period, the arithmetic mean of the Stockholm interbank offered rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no rate as described in paragraph (a) or (b) is available for the relevant Interest Period and no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period, and

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

**"Subordination Agreement"** means any subordination agreement entered into between, amongst others, the Issuer, the Agent and any creditor providing Subordinated Debt.

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

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

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

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

"**Swedish Kronor**" and "**SEK**" means the lawful currency of Sweden.

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

"**Transaction Costs**" means all fees, costs and expenses, stamp, registration and other taxes incurred by the Issuer or any other member of the Group in connection with a Bond Issue, the Revolving Credit Facility and the listing of the Bonds.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 17 (*Written Procedure*).

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "**assets**" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "**regulation**" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.

- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor 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 Swedish Kronor 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.
- (c) 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.
- (d) 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.
- (e) The privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Bondholders and the Agent.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.
- (c) The nominal amount of each Initial Bond is SEK 1,250,000 (the "**Nominal Amount**"). The maximum total nominal amount of the Initial Bonds is SEK 1,200,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is SEK 1,250,000.
- (e) Provided that the Incurrence Test is met (tested on a *pro forma* basis), the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum total nominal amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 2,400,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 15(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (f) The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank (i) without any preference among



them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.

- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### **3. Use of Proceeds**

The proceeds from any Bond Issue shall be used to:

- (a) finance acquisitions, capital expenditure and operational expenditure; and
- (b) finance Transaction Costs.

### **4. Conditions Precedent**

- (a) The payment of the Net Proceeds from the Initial Bond Issue to the Proceeds Account (if any) is subject to the Agent having received documents and evidence of the Proceeds Account Pledge Agreement being duly executed and perfected.
- (b) The payment of the Net Proceeds from the Initial Bond Issue to the Issuer is subject to the Agent being satisfied it has received the following from the Issuer:
  - (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Finance Documents, duly executed; and
  - (iii) an agreed form Compliance Certificate.
- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4(b) 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 documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clause 4(b) above from a legal or commercial perspective of the Bondholders.

- (d) When the conditions precedent for disbursement set out in Clause 4(b) have been received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds from the Proceeds Account or (if applicable) the Issuing Agent to transfer the funds to the Issuer for the purpose set out in Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account (if relevant).
- (e) If the conditions precedent for disbursement set out in Clause 4(b) have not been fulfilled to the satisfaction of the Agent (acting reasonably) or waived by the Agent within 60 Business Days from the First Issue Date, the Issuer shall repurchase all Bonds at a price equal to 100 per cent. of the Nominal Amount together with any accrued Interest. Any funds distributed by the Agent to the Bondholders in accordance with the Proceeds Account Pledge Agreement shall be deemed to be paid by the Issuer for the redemption under this Clause 4(e). Any shortfall shall be covered by the Issuer. The repurchase date shall fall no later than 30 Business Days after the ending of the 60 Business Days period referred to above.

## 5. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such Persons employed by the 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.

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

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of

authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.

- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The 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 Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **7. Payments in Respect of the Bonds**

- (a) Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Bonds, shall be made to such Person who is registered as a Bondholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other Person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- (b) If a Bondholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid as soon as possible after such obstacle has been removed.
- (c) If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue without any default interest in accordance with Clause 8(d) during such postponement.
- (d) If payment or repayment is made in accordance with this Clause 7, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a Person not entitled to receive such amount.
- (e) The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **8. Interest**

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest

Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.

- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) 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).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **9. Redemption and Repurchase of the Bonds**

### **9.1 Redemption at maturity**

The Issuer shall redeem all, but not only some, of the outstanding Bonds in full on the Final Maturity Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

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

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled (other than in connection with a total redemption of all Bonds).

### **9.3 Voluntary total redemption (call option)**

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
  - (i) any time from and including the First Issue Date to, but excluding, the first Business Day falling 18 months after the First Issue Date at an amount per Bond equal to 103.75 per cent. of the Nominal Amount plus the remaining interest payments, calculated in accordance with Clause 9.3(c), up to, and including, the first Business Day falling 18 months after the First Issue Date, together with accrued but unpaid Interest;
  - (ii) any time from and including the first Business Day falling 18 months after the First Issue Date to, but excluding, the first Business Day falling 24 months after the First Issue Date at an amount per Bond equal to 103.75

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

- (iii) any time from and including the first Business Day falling 24 months after the First Issue Date to, but excluding, the first Business Day falling 30 months after the First Issue Date at an amount per Bond equal to 102.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (iv) any time from and including the first Business Day falling 30 months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Bond equal to 100.75 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than 15 Business Days' notice to the Bondholders and the Agent. The notice shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to the First Issue Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

#### **9.4 Mandatory repurchase due to a Change of Control Event and Listing Failure Event (put option)**

- (a) Upon the occurrence of a Change of Control Event and/or Listing Failure Event each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 40 Business Days following a notice from the Issuer of the Change of Control Event and/or Listing Failure Event pursuant to Clause 10.1(f) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event and/or Listing Failure Event.
- (b) The notice from the Issuer pursuant to Clause 10.1(f) 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 shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 10.1(f). The repurchase date must fall no later than 40 Business Days after the end of the period referred to in Clause 9.4(a).

- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained or sold but not cancelled (other than in connection with a total redemption of all Bonds).

## 10. Information to Bondholders

### 10.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Issuer:
  - (i) as soon as the same become available, but in any event within four months after the end of each financial year, the annual audited consolidated financial statements of the Group including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors;
  - (ii) as soon as the same become available, but in any event within two months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (Sw. *bokslutskommuniké*) (as applicable) including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (iii) any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market and/or MTF on which the Bonds are admitted to trading.
- (b) The Issuer shall procure that the Group's quarterly unaudited consolidated report for the financial quarter ending 30 June each year and to be delivered pursuant to paragraph (a)(ii) above shall be reviewed (Sw. *översiktligt granskad*) by the Group's auditor.
- (c) When the Bonds have been listed on a Regulated Market the information set out in Clause 10.1(a) shall also be made available by way of press release.
- (d) The reports referred to in Clause 10.1(a)(i) and Clause 10.1(a)(ii) shall be prepared in accordance with IFRS.
- (e) When the financial statements and other information are made available to the Bondholders pursuant to Clause 10.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.

- (f) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event and/or Listing Failure Event and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (g) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (h) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with that a Financial Report is made available; and
  - (iii) at the Agent's request, within 20 Business Days from such request.
- (i) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (h) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) The Issuer is only obliged to inform the Agent according to this Clause 10.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market or MTF (as applicable). If such a conflict would exist pursuant to the listing contract with the Regulated Market or MTF (as applicable) or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or MTF (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 this Clause 10.1.

## **10.2 Information from the Agent**

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 10.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the 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.

- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

### **10.3 Publication of Finance Documents**

- (a) The latest version of these Terms and Conditions (including any documents amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.
- (b) The latest version of the Finance Documents shall be available to the Bondholders at the office of the Agent during the Agent's normal business hours.

## **11. Financial Undertakings**

### **11.1 Maintenance Covenants**

The Issuer shall ensure that:

- (a) the Minimum Cash and Liquid Securities at all times is at least:
  - (i) from (and including) the First Issue Date until (and including) the date falling 24 months after the First Issue Date, SEK 250,000,000; and
  - (ii) from (but excluding) the date falling 24 months after First Issue Date until (and including) the Final Maturity Date, SEK 500,000,000; and
- (b) the ratio of Net Interest Bearing Debt to Net Asset Value (expressed as a percentage) is not greater than 30 per cent.

### **11.2 Testing of the Maintenance Covenants**

The Maintenance Covenants shall be calculated in accordance with the Accounting Principles applicable to the Issuer and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 31 March 2022.

### **11.3 Equity Cure**

- (a) If there is a breach of any of the Maintenance Covenants, no Event of Default will occur if, within 30 Business Days of the earlier of (i) a delivery of the relevant Compliance Certificate evidencing that breach and (ii) the date when such Compliance Certificate should have been delivered in accordance with the Terms



and Conditions, the Issuer has received, in an amount sufficient to ensure compliance with the relevant Maintenance Covenant, as at the relevant Reference Date, equity injection in the form of a share issue, an unconditional shareholder contribution or in the form of Subordinated Debt, in each case in the form of (i) cash (the "**Cash Cure Amount**") and/or (ii) Liquid Securities (the "**Liquid Securities Cure Amount**").

- (b) The calculation of the Minimum Cash and Liquid Securities shall be adjusted so that Cash for the Reference Period is increased with an amount equal to the Cash Cure Amount and Liquid Securities for the Reference Period is increased with an amount equal to the Liquid Securities Cure Amount.
- (c) If the Equity Cure is made via the deposit of a Cash Amount, the calculation of Net Interest Bearing Debt to Net Asset Value shall be adjusted so that the Net Interest Bearing Debt for the Reference Period is reduced with an amount equal to the Cash Amount. If the Equity Cure is made via the deposit of a Liquid Securities Cure Amount, the calculation of Net Interest Bearing Debt to Net Asset Value shall be adjusted so that the Net Asset Value for the Reference Period is increased with an amount equal to the Liquid Securities Cure Amount (including any Excess Amount).
- (d) No more than two Equity Cures are to be made over the life of the Bonds. Equity Cures may not be injected in respect of any consecutive calendar quarters.

#### **11.4 Incurrence Test**

The Incurrence Test is met if:

- (a) the ratio of Net Interest Bearing Debt to Net Asset Value (expressed as a percentage) is not greater than 20 per cent.; and
- (f) no Event of Default is continuing or would occur upon the incurrence of new Financial Indebtedness.

#### **11.5 Testing of the Incurrence Test**

The ratio of Net Interest Bearing Debt to Net Asset Value for the purpose of the Incurrence Test shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than three months prior to the incurrence of the new Financial Indebtedness;
- (b) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, adjusted for any events affecting such ratio after such testing date and include the new Financial Indebtedness and exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt); and
- (c) the amount of Net Asset Value shall be measured on the relevant testing date so determined, adjusted for any events affecting such ratio after such testing date and

the Net Asset Value of any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*.

## 12. General Undertakings

### 12.1 General

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the undertakings set out in this Clause 12 for as long as any Bonds remain outstanding.

### 12.2 Distributions

- (a) The Issuer shall not, and shall procure that no other Group Company will:
- (i) pay any dividend in respect of its shares;
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
  - (iv) repay any Subordinated Debt or pay any interest thereon;
  - (v) make any prepayments or repayments under any long-term debt ranking junior or *pari passu* with the Bonds;
  - (vi) grant any loans except in the ordinary course of business (for the avoidance of doubt, any loans to Investment Subsidiaries and management of an Investment Subsidiary shall be considered granted in the ordinary course of business); or
  - (vii) make any other similar distribution or transfers of value to any Person,
- (paragraphs (i)-(vii) above are together and individually referred to as a "**Restricted Payment**").
- (b) Notwithstanding the above, a Restricted Payment may be made if made to the Issuer or a direct or indirect Group Company but, if made by a Group Company which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis.

### 12.3 Listing

The Issuer shall ensure that:

- (a) the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain admitted to trading on another Nordic Regulated Market within six months after the First Issue Date;

- (b) any Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain admitted to trading on another Nordic Regulated Market within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date when the Initial Bonds are listed in which case such Subsequent Bonds shall be listed together with the Initial Bonds); and
- (c) the Bonds, once admitted to trading on the corporate bond list of the relevant Nordic Regulated Market continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Nordic Regulated Market, and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

#### **12.4 Nature of Business**

The Issuer shall procure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect.

#### **12.5 Financial Indebtedness**

The Issuer shall not, and shall procure that no other Group Company will, incur any Financial Indebtedness, other than Permitted Debt.

#### **12.6 Disposal of Assets**

The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or such Group Company's assets, or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (a) is carried out at fair market value and on arm's length terms and (b) does not have a Material Adverse Effect.

#### **12.7 Negative Pledge**

The Issuer shall not, and shall procure that no other Group Company will, provide, prolong or renew any Security over any of its assets (present or future), other than any Permitted Security.

#### **12.8 Dealings at arm's length terms**

The Issuer shall, and shall procure that each other Group Company will, conduct all dealings with any Person (other than Group Companies) at arm's length terms.

#### **12.9 Compliance with laws and authorisations**

The Issuer shall, and shall procure that each other Group Company will, (a) comply with all laws and regulations applicable from time to time, and (b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit

required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

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

Each of the events or circumstances set out in this Clause 13 (other than Clause 13.11 (*Acceleration of the Bonds*)) is an Event of Default.

#### **13.1 Non-Payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless:

- (a) its failure to pay is caused by administrative or technical error; and
- (b) payment is made within five Business Days of the due date.

#### **13.2 Maintenance Covenants**

The Issuer has failed to comply with any of the Maintenance Covenants and such failure has not been cured in accordance with provisions for the equity cure set out in Clause 11.3 (*Equity Cure*).

#### **13.3 Other Obligations**

A party (other than the Agent) fails to comply with the Finance Documents, in any other way than as set out in Clauses 13.1 (*Non-Payment*) and 13.2 (*Maintenance Covenants*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within 20 Business Days of the earlier (i) the Issuer or that party becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure.

#### **13.4 Cross payment default and Cross-acceleration**

Any Financial Indebtedness of a Group Company is:

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

provided that no Event of Default will occur under this Clause 13.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 15,000,000 or (ii) it is owed to a Group Company.

#### **13.5 Insolvency**

- (a) Any 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 (except for Bondholders) with a view to rescheduling its Financial Indebtedness; or

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

### **13.6 Insolvency Proceedings**

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Subsidiaries of the Issuer, solvent liquidations) 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 Group Company; and
- (b) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Group Company or any of its assets or any analogous procedure or step is taken in any jurisdiction.

### **13.7 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 of an amount equal to or exceeding SEK 10,000,000 and is not discharged within 60 days.

### **13.8 Mergers and demergers**

A decision is made that the Issuer shall enter into a merger where it is not the surviving entity or that it shall enter into a demerger.

### **13.9 Impossibility or Illegality**

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

### **13.10 Continuation of the Business**

The Issuer or any other Group Company ceases to carry on its business (other than (a) following a merger that is not prohibited under the Finance Documents, (b) a solvent liquidation permitted pursuant to Clause 13.6 (*Insolvency Proceedings*) above or (iii) a disposal permitted under the Finance Documents), if such discontinuation is likely to have a Material Adverse Effect.

### 13.11 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least 50 per cent. of the Adjusted Nominal Amount (such demand may only be validly made by a Person who is a Bondholder on the Business Day immediately 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 given pursuant to Clause 13.11(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 13.11(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall, within 20 Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 13.11, the Issuer shall up to, but excluding, the date falling 18 months after the First Issue Date redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in paragraph (a)(ii) of Clause 9.3 and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

## 14. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 13 (*Events of Default and Acceleration of the Bonds*) shall be distributed in the following order of priority:
- (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 15(m);
  - (ii) *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);
  - (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
  - (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

- (b) If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 14(a)(i), such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 14(a)(i).
- (c) Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Bonds constitute escrow funds (*Sw. 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 14 as soon as reasonably practicable.
- (d) If the Issuer or the Agent shall make any payment under this Clause 14, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least 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 7(a) shall apply.

## 15. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten 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 the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way 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.
- (c) 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.
- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:
  - (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
  - (ii) on the Business Day specified in the communication pursuant to Clause 17(c), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.
- (e) The following matters shall require the consent of Bondholders representing at least  $66 \frac{2}{3}$  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 17(c):
  - (i) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 2,400,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
  - (ii) a change to the terms of any of Clause 2(a), and Clauses 2(f) to 2(h);



- (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
  - (iv) a change to the Interest Rate (other than as a result of an application of Clause 19 (*Replacement of Base Rate*) or the Nominal Amount;
  - (v) waive a breach of or amend an undertaking set out in Clause 12 (*General Undertakings*);
  - (vi) a change to the terms for the distribution of proceeds set out in Clause 14 (*Distribution of Proceeds*);
  - (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 15;
  - (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
  - (ix) a mandatory exchange of the Bonds for other securities; and
  - (x) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 13 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.
- (f) Any matter not covered by Clause 15(e) shall require the consent of Bondholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 17(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 18(a)(i) or 18(a)(ii)) or an acceleration of the Bonds.
- (g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least 20 per cent. of the Adjusted Nominal Amount:
- (i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
  - (ii) if in respect of a Written Procedure, reply to the request.
- If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- (h) 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 16(a)) or initiate a second Written Procedure (in accordance with Clause 17(a)), as the case may be, provided that the relevant

proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 15(g) shall not apply to such second Bondholders' Meeting or Written Procedure.

- (i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.
- (j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- (k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- (l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- (m) All costs and expenses incurred by the Issuer or the 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.
- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The 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.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the 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.

## **16. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five Business Days after receipt of a request from

the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).

- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five 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 16(a).
- (c) The notice pursuant to Clause 16(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than 15 Business Days and no later than 30 Business Days from the notice.
- (e) 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.

## **17. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.
- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 17(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 17(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least 15 Business Days from the communication pursuant to Clause 17(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 15(e) and 15(f) have been received in a Written Procedure, the

relevant decision shall be deemed to be adopted pursuant to Clause 15(e) or 15(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **18. Amendments and Waivers**

- (a) The Issuer and the Agent (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority;
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Decisions by Bondholders*); or
  - (iv) is made pursuant to Clause 19 (*Replacement of Base Rate*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 18(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 10.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.
- (d) An amendment to the Finance Documents shall take effect on the date determined by the Bondholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **19. Replacement of Base Rate**

### **19.1 General**

- (a) Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 19 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

- (b) If a Base Rate Event has occurred, this Clause 19 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

## 19.2 Definitions

- (a) In this Clause 19:

**"Adjustment Spread"** means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (i) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (ii) if (i) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

**"Base Rate Amendments"** has the meaning set forth in Clause 19.3(d).

**"Base Rate Event"** means one or several of the following circumstances:

- (i) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (ii) a public statement or publication of information by (A) the supervisor of the Base Rate Administrator or (B) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (iii) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (iv) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);

- (v) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*) containing the information referred to in (ii) above; or
- (vi) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (ii) to (v) above will occur within six months.

**"Base Rate Event Announcement"** means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

**"Independent Adviser"** means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

**"Relevant Nominating Body"** means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Council (Sw. *Finansiella stabilitetsrådet*) or any part thereof.

**"Successor Base Rate"** means:

- (i) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of debt instruments with similar interest rate terms as the Bonds, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body ; or
- (ii) if there is no such rate as described in paragraph (i), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply mutatis mutandis to such new Successor Base Rate.

### 19.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments

- (a) Without prejudice to paragraph (b) below, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to paragraph (b) below.
- (b) If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any

Base Rate Amendments for purposes of determining, calculating, and finally deciding the applicable Base Rate.

- (c) If the Issuer fails to appoint an Independent Adviser in accordance with paragraph (b) above, the Bondholders shall, if so decided at a Bondholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in paragraph (b) above. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 19.3 to 19.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.
- (d) The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- (e) Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

#### **19.4 Interim measures**

- (a) If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:
  - (b) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
  - (c) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- (d) For the avoidance of doubt, paragraph (a) above shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 19. This will however not limit the application of paragraph (a) above for any subsequent Interest Periods, should all relevant actions provided in this Clause 19 have been taken, but without success.

### **19.5 Notices etc.**

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Issuing Agent and the Bondholders in accordance with Clause 25 (*Notices and Press Releases*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

### **19.6 Variation upon replacement of Base Rate**

- (a) No later than giving the Agent notice pursuant to Clause 19.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 19.3(c)) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 19. The Successor Base Rate the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Bondholders.
- (b) Subject to receipt by the Agent of the certificate referred to in Clause 19.6(a), the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 19.
- (c) The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 19. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

### **19.7 Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 19.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.



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

### **20.1 Appointment of Agent**

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds and the Finance Documents, and authorises each of 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.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in paragraph (a) above.
- (c) Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (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 the Finance Documents. The Agent is not under any obligation to represent a Bondholder which does not comply with such request.
- (d) 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 the Finance Documents.
- (e) The Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **20.2 Duties of the Agent**

- (a) The Agent shall represent the Bondholders subject to and in accordance with the Finance Documents. The Agent is not responsible for the content, valid execution, legal validity or enforceability of the Finance Documents.
- (b) When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out

in the Finance Documents. In particular, the Agent is not acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.

- (d) The Agent is not is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, the Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) The Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) as otherwise agreed between the Agent and the Issuer. 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 the Finance Documents shall be distributed in accordance with Clause 14 (*Distribution of Proceeds*).
- (h) Notwithstanding any other provision of the Finance Documents 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.
- (i) If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the 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.
- (j) Unless it has actual knowledge to the contrary, the Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.

- (k) The Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 20.2(i).

### **20.3 Limited liability for the Agent**

- (a) 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 any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall not be responsible for indirect loss.
- (b) The Agent shall not be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by it to the Bondholders, provided that it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.
- (d) The Agent shall not have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

### **20.4 Replacement of the Agent**

- (a) Subject to Clause 20.4(f), 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.
- (b) Subject to Clause 20.4(f), if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten 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.
- (c) A Bondholder (or Bondholders) representing at least ten 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 be appointed.

- (d) If the Bondholders have not appointed a successor Agent within 90 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.
- (e) 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 the Finance Documents.
- (f) 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.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- (h) In the event that there is a change of the Agent in accordance with this Clause 20.4, 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 the Finance Documents. 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.

## **21. Appointment and Replacement of the CSD**

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.
- (b) 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. The replacing CSD

must be authorized to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) or Regulation (EU) no. 909/2014 and be authorized as a central securities depository in accordance with the Financial Instruments Accounts Act.

## 22. Appointment and Replacement of the Issuing Agent

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

## 23. No Direct Actions by Bondholders

- (a) A Bondholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.
- (b) Clause 23(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1(c)), 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 the Finance Documents or by any reason described in Clause 20.2(i), such failure must continue for at least 40 Business Days after notice pursuant to Clause 20.2(k) before a Bondholder may take any action referred to in Clause 23(a).
- (c) The provisions of Clause 23(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event and Listing Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## 24. Prescription

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed 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 prescribed and has become void.

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

## 25. Notices and Press Releases

### 25.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) 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, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
  - (ii) 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 if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1(a);
  - (ii) in case of letter, three Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1(a); or
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.

- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## 25.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 10.1(f), 13.11(c), 15(o), 16(a), 17(a), 18(c) and 19.5 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 25.2(a), if any information relating to the Bonds or the Issuer contained in a notice 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.

## 26. Force Majeure and Limitation of Liability

- (a) None of the Agent or 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.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.
- (c) Should a Force Majeure Event arise which prevents the 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.
- (d) The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 27. Governing Law and Jurisdiction

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

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