

Item 7 – The board of directors’ proposal on authorization for the board to enter into financing agreements

The board of directors proposes that the extraordinary general meeting resolves to approve the entering into of the financing agreements with the European Investment Bank in relation to the project financing of the Company’s textile recycling plant in Sundsvall. The financing agreements refer to the previously communicated debt financing of approximately SEK 311 million, to be provided by the European Investment Bank. The central financing agreement, which is the loan agreement, contain certain payment provisions meaning that the Company, to the European Investment Bank, in addition to interest also shall pay a so called royalty fee. The royalty fee shall be paid annually and will be calculated based on the Company’s annual gross revenue from the direct or indirect sale of textile pulp for each financial year. The royalty fee will only be paid if the Company’s sales are positive and if certain additional provisions relating to the Company’s production results are being met.

The above-mentioned provisions are deemed to fall under Chapter 11, Section 11 of the Swedish Companies Act and, accordingly, the general meeting’s resolution is required in order for the Company to enter into such agreements.