

20 March 2023

To the noteholders in:

ISIN: SE0012455772 – Midsummer AB (publ) up to SEK 500,000,000 Senior Unsecured Floating Rate Green Notes 2019/2023

NOTICE OF WRITTEN PROCEDURE – REQUEST TO AMEND THE TERMS AND CONDITIONS

This voting request for procedure in writing has been sent on 20 March 2023 to Noteholders directly registered as of 17 March 2023 in the debt register (*skuldbok*) kept by the CSD. If you are an authorised nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding Notes on behalf of someone else on a Securities Account, please forward this notice to the Noteholder you represent as soon as possible. For further information, please see below under Section 5.3 (*Voting rights and authorisation*).

KEY INFORMATION

Record Date for being eligible to vote:	24 March 2023
Deadline for voting:	12:00 CEST on 6 April 2023
Quorum requirement:	At least fifty (50.00) per cent. of the Adjusted Nominal Amount
Majority requirement:	At least sixty-six and two thirds (66⅔) per cent. of the Adjusted Nominal Amount for which Noteholders reply in this Written Procedure

Nordic Trustee & Agency AB (publ) acts as agent (the “**Agent**”) for the holders of the notes (the “**Noteholders**”) in the above mentioned note issue with an aggregate amount outstanding of SEK 200,000,000 (the “**Notes**”) issued by Midsummer AB (publ), a public limited liability company incorporated in Sweden with Reg. No. 556665-7838, (the “**Issuer**”). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing (the “**Written Procedure**”) as required by the Terms and Conditions (as defined below), whereby Noteholders can vote for or against the Request (as defined below).

All capitalised terms used herein and not otherwise defined in this notice (the “**Notice**”) shall have the meanings assigned to them in the terms and conditions for the Notes (the “**Terms and Conditions**”).

The Request (as defined below) is presented to the Noteholders by the Issuer, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this notice or the Request (and their effects, should they be adopted) from a legal or commercial perspective of the Noteholders and the Agent expressly disclaims any liability whatsoever related to the content of this notice and the Request (and their effects, should they be adopted). The Noteholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects) is acceptable or not.

PRIOR TO VOTING IN THIS WRITTEN PROCEDURE, EACH NOTEHOLDER SHOULD CAREFULLY REVIEW AND ASSESS THE RISK FACTORS SET OUT IN SCHEDULE 4 (*RISK FACTORS*).

Noteholders participate in the Written Procedure by completing and sending the voting form, attached hereto as Schedule 1 (the “**Voting Form**”), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the “**Power of Attorney**”) or other sufficient evidence, if the Notes are held in

custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Notes through if you do not know how your Notes are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form no later than 12.00 CEST on 6 April 2023 either by mail, courier or email to the Agent using the contact details set out in Section 5.9 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Noteholder on 24 March 2023 (the “**Record Date**”). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (*direktregistrerad ägare*) or authorised nominee (*förvaltare*) with respect to one or several Notes.

1. BACKGROUND

The Issuer has on the date of this Notice announced (i) that the Issuer’s board of directors has resolved on a new issue of shares up to a maximum amount of approximately SEK 277.6 million (of which approximately 65 per cent. is covered by guarantees and subscription undertakings), with preferential rights for the Issuer’s existing shareholders and subject to subsequent approval by a general meeting, (the “**Equity Raise**”), and (ii) a convening notice to an extraordinary general meeting on 14 April 2023, to approve the Equity Raise. The purpose of the Equity Raise is primarily to finance expansion capex. In order for the Issuer to proceed and have the possibility to succeed with the Equity Raise it is necessary that the Request (as defined below) is approved. Should the Request not be approved it is highly likely that the Equity Raise will fail.

In light of current market conditions, the Issuer deems that it is not possible to complete a refinancing of the outstanding Notes during the time left until maturity in April 2023 and the Issuer does not currently have the necessary funds to repay the Notes at maturity. Hence, the consequence of the Request not being approved could be that the Issuer is required to initiate certain formal or informal restructuring measures (which could include company reorganisation or bankruptcy). In case of e.g. company reorganisation or bankruptcy of the Issuer, the potential recovery for Noteholders of any of their claims under the Notes is uncertain and could be very limited or none.

Each Noteholder must make its own determination as to the risks relating to the Request and is recommended to consult relevant advisers. Each Noteholder should carefully review the risk factors set out in [Schedule 4](#) (*Risk factors*). The Issuer does not represent that the risks relating to the Request are exhaustive.

2. REQUEST

Based on the details set out above and after discussions with certain existing Noteholders, the Issuer hereby requests that the Noteholders approve to amend the Terms and Conditions substantially in accordance with the draft amended and restated terms and conditions attached hereto as [Schedule 3](#) (the “**Request**”). If the Request is approved in the Written Procedure, the Noteholders irrevocably authorise and assign to the Agent, or whoever the Agent appoint in its place, to, on the Noteholders’ behalf, do all such acts and things and to execute such other agreements or documents as may be necessary or desirable to give effect to the Request and take any and all measures and actions that are deemed necessary in order to implement the Request.

For ease of reference, the proposed amendments to the Terms and Conditions include, *inter alia*:

- (a) an extension of the original Final Maturity Date with three (3) years so that the new extended Final Maturity Date shall be 25 April 2026;
- (b) an increase of the final redemption price at the extended Final Maturity Date to 108 per cent. of the Nominal Amount (together with accrued but unpaid Interest) to the benefit of the Noteholders;
- (c) an amendment of the Interest Rate so that it shall, from and including the first Interest Period falling after the Request has been approved pursuant to Section 4 (*Effective date*), be a fixed cash interest of 3 per cent. *per annum* plus a fixed PIK interest of 10 per cent. *per annum* (which shall be capitalised annually);
- (d) an amended call structure to incentivise the Issuer to make a total voluntary prepayment of the Notes before the extended Final Maturity Date, pursuant to which the Issuer may redeem all outstanding Notes in full:
 - (i) any time from and including the Request has been approved pursuant to Section 4 (*Effective date*) to, but excluding, the original Final Maturity Date at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest;
 - (ii) any time from and including the original Final Maturity Date to, but excluding, the first Business Day falling twelve (12) months after the original Final Maturity Date at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest (including, for the avoidance of doubt, accrued PIK interest);
 - (iii) any time from and including the first Business Day falling twelve (12) months after the original Final Maturity Date to, but excluding, the first Business Day falling twenty-four (24) months after the original Final Maturity Date at a price per Note equal to 105 per cent. of the Nominal Amount together with accrued but unpaid Interest (including, for the avoidance of doubt, accrued PIK interest); and
 - (iv) any time from and including the first Business Day falling twenty-four (24) months after the original Final Maturity Date to, but excluding, the extended Final Maturity Date at a price per Note equal to 108 per cent. of the Nominal Amount together with accrued but unpaid Interest (including, for the avoidance of doubt, accrued PIK interest);
- (e) inclusion of a voluntary partial redemption pursuant to which the Issuer may partially redeem Notes at any time by way of reducing the outstanding Nominal Amount of each Note *pro rata* where the repayment per Note shall equal (i) the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1.00) plus (ii) a premium on the repaid amount of one (1), five (5) or eight (8) per cent. for the relevant periods as set forth in paragraph (d) above when such repayment is made and (iii) accrued but unpaid Interest (including, for the avoidance of doubt, accrued PIK interest) on the repaid amount; and
- (f) a new event of default giving a right to accelerate the Notes should not a share issue raising at least SEK 150,000,000 in gross proceeds have been completed within 20 Business Days after 31 July 2023.

3. VOTING UNDERTAKINGS

The Agent has been informed that Noteholders representing approximately 55 per cent. of the Adjusted Nominal Amount have undertaken towards the Issuer to vote in favour of the Request.

4. EFFECTIVE DATE

The Request shall be deemed approved immediately after the expiry of the voting period and satisfaction of the requisite quorum participation and majority vote as set forth in Section 5.5 (*Quorum*) and Section 5.6 (*Majority*) below, or if earlier, when a requisite majority of consents of the Adjusted Nominal Amount have been received by the Agent. The Issuer and the Agent shall, in order to implement and effectuate the Request, enter into amended and restated terms and conditions for the Notes.

5. WRITTEN PROCEDURE

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

5.1 Final date to participate in the Written Procedure

The Agent must have received the votes by mail, courier or e-mail to the address indicated below no later than 12.00 CEST, on 6 April 2023. Votes received thereafter may be disregarded.

5.2 Decision procedure

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

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

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

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

5.3 Voting rights and authorisation

Anyone who wishes to participate in the Written Procedure must on the Record Date (24 March 2023) in the debt register:

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

5.4 Notes registered with a nominee

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

- (a) you can ask the authorised nominee or other intermediary that holds the Notes on your behalf to vote in its own name as instructed by you; or
- (b) you can obtain a Power of Attorney (in the form set out in [Schedule 2](#)) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Notes through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as Noteholder of the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the debt register as a Noteholder of the Securities Account as authorised nominee or direct registered owner.

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

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

5.5 Quorum

To approve the Request, Noteholders representing **at least fifty (50.00) per cent.** of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the Request has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. At the option of each Noteholder, a voting form provided at or before 12.00 CEST on 6 April 2023 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

5.6 Majority

The Agent must receive votes in favour of the Request representing at least **sixty-six and two thirds (66⅔) per cent.** of the Adjusted Nominal Amount for which Noteholders reply under the Written Procedure in order for the Request to be adopted.

5.7 General

The Issuer may, at its option and in its sole discretion, at any time amend, extend, re-open or terminate the Written Procedure or the terms of the Written Procedure in accordance with the Terms and Conditions of the Notes.

5.8 Role of the Agent

The role of the Agent under this Written Procedure is solely mechanical and administrative in nature. The information set out herein is presented to the Noteholder without any evaluation,

advice or recommendations from the Agent whatsoever. The Agent is not an advisor to any party and has not reviewed or assessed the information set out herein from a legal or commercial perspective of the Noteholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice (or the effect(s) of the Request, should it be adopted). The Noteholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effect(s), should it be adopted) are acceptable or not.

Further to the above and as set out in the Terms and Conditions, the Agent may assume that any documentation and other evidence delivered to it or to be entered into by it in relation to the Written Procedure is accurate, legally valid, correct and complete and the Agent does not have to verify the contents of such documentation or evidence.

5.9 Address for sending replies

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

By regular mail:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure Midsummer AB (publ)
P.O. Box 7329
SE-103 90 Stockholm

By courier:

Nordic Trustee & Agency AB (publ)
Attn: Written Procedure Midsummer AB (publ)
Norrandsgatan 23
SE-111 43 Stockholm

By e-mail:

voting.sweden@nordictrustee.com

6. FURTHER INFORMATION

For further questions to the Issuer regarding the Request, please contact the Issuer at sven.lindstrom@midsummer.se or +46 8 525 09 610.

The Issuer has retained DNB Bank ASA, Sweden Branch as financial advisor (the “**Advisor**”). Accordingly, Bondholders may contact the Advisor for further information regarding the proposals and requests, at bond.syndicate@dnb.no or +47 48225244. The Advisor is an advisor to the Issuer and the Advisor owes no duty to any Bondholder or person authorised by a Bondholder. Nothing herein shall constitute a recommendation to the Bondholders by the Advisor.

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

Stockholm, 20 March 2023

NORDIC TRUSTEE & AGENCY AB (publ)
as Agent

Schedule 1
Voting Form

For the Written Procedure in Midsummer AB (publ) up to SEK 500,000,000 Senior Unsecured Floating Rate Green Notes 2019/2023 with ISIN SE0012455772.

The undersigned Noteholder or authorised person/entity (the “**Voting Person**”), votes either **For** or **Against** the Request by marking the applicable box below. If a quorum does not exist in the Written Procedure, the Agent shall initiate a second Written Procedure provided that the Request has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

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

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 20 March 2023.

	For the Request
	Against the Request

The Voting Person hereby confirms (*tick the applicable box*) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to clause 16 (*Decisions by the Noteholders*) of the Terms and Conditions with respect to the Request:

Confirmed

Not Confirmed

Name of the Voting Person:

Capacity of the Voting Person:
(*tick the applicable box*)

Noteholder: ¹ authorised person: ²

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

Securities Account number at Euroclear Sweden:
(*if applicable*)

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

¹ When voting in this capacity, no further evidence is required

² When voting in this capacity, the person/entity voting must also enclose a Power of Attorney/Authorisation (Schedule 2) from the Noteholder or other proof of authorisation showing the number of votes held on the Record Date (as defined in the Notice of Written Procedure from Midsummer AB (publ)).

Nominal Amount voted for (in SEK):

Contact person, daytime telephone
number and e-mail address:

Place, date: _____

Name:

*(Authorised signature)*³

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

Schedule 2
Power of Attorney/Authorisation

For the Written Procedure in Midsummer AB (publ) up to SEK 500,000,000 Senior Unsecured Floating Rate Green Notes 2019/2023 with ISIN SE0012455772.

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

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 20 March 2023.

Name of person/entity that is given authorisation (Sw. <i>befullmäktigad</i>) to vote as per the Voting Record Date:
Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Voting Record Date:
Name of Noteholder or other intermediary giving the authorisation (Sw. <i>fullmaktsgivaren</i>):

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

We represent an aggregate Nominal Amount of: SEK _____

We are: (tick the applicable box)

	Registered as Noteholder on the Securities Account
	Other intermediary and holds the Notes through (<i>specify below</i>):

Place, date: _____

Name:

(authorised signatory of Noteholder/other intermediary (Sw. *fullmaktsgivaren*))

Schedule 3
Amended Terms and Conditions



AMENDED AND RESTATED
TERMS AND CONDITIONS FOR
MIDSUMMER AB (PUBL)
UP TO SEK 500,000,000
SENIOR UNSECURED FLOATING-, FIXED AND PIK
INTEREST RATE GREEN NOTES
ISIN: SE0012455772

Originally dated 18 April 2019 and as amended and restated on [●] 2023

SELLING RESTRICTIONS

No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required and as such the Notes have not been and will not be registered, and may be restricted, in United States, Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Notes may be restricted by law. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

PRIVACY NOTICE

The Issuer and the Agent may collect and process personal data relating to the Noteholders, the Noteholders' representatives or agents, and other persons nominated to act on behalf of the Noteholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Notes). The personal data relating to the Noteholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

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

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Notes and payments under the Notes;
- (c) to enable the Noteholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

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

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

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites www.midsummer.se and www.nordictrustee.com.

For the avoidance of doubt, this privacy notice does not constitute a part of the Terms and Conditions.

TABLE OF CONTENTS

1. DEFINITIONS AND CONSTRUCTION 1

2. STATUS OF THE NOTES ~~10~~11

3. USE OF PROCEEDS 11

4. CONDITIONS FOR DISBURSEMENT ~~11~~12

5. ESCROW OF PROCEEDS ~~12~~13

6. NOTES IN BOOK-ENTRY FORM ~~13~~14

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER ~~13~~14

8. PAYMENTS IN RESPECT OF THE NOTES 14

9. INTEREST ~~14~~15

10. REDEMPTION AND REPURCHASE OF THE NOTES ~~15~~16

11. INFORMATION TO NOTEHOLDERS ~~18~~20

12. GENERAL UNDERTAKINGS ~~20~~22

13. FINANCIAL UNDERTAKINGS ~~23~~25

14. ACCELERATION OF THE NOTES ~~24~~26

15. DISTRIBUTION OF PROCEEDS ~~27~~29

16. DECISIONS BY NOTEHOLDERS ~~28~~30

17. AMENDMENTS AND WAIVERS ~~32~~34

18. THE AGENT ~~33~~35

19. THE ISSUING AGENT ~~36~~38

20. THE CSD ~~37~~38

21. NO DIRECT ACTIONS BY NOTEHOLDERS ~~37~~39

22. PRESCRIPTION ~~37~~39

23. COMMUNICATIONS AND PRESS RELEASES ~~38~~40

24. FORCE MAJEURE ~~39~~41

25. GOVERNING LAW AND JURISDICTION ~~39~~41

SCHEDULES

1. FORM OF COMPLIANCE CERTIFICATE ~~40~~42

2. FORM OF DISBURSEMENT NOTICE ~~42~~44

3. SIGNATURES ~~43~~45

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

“**Account Bank**” means Nordea Bank Abp, filial i Sverige.

“**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 Noteholder has opened a Securities Account in respect of its Notes.

“**Accounting Principles**” means generally accepted accounting principles in Sweden (including IFRS).

“**Accrued PIK Interest**” means at any time, the sum of the PIK Interest accrued and capitalised pursuant to Clause 9.2.3 (*PIK Interest*) on each Note, less an amount equal to the PIK Interest accrued and capitalised on that Note and which has been repaid in connection with a partial prepayment of that Note pursuant to Clause 10.3 (*Voluntary partial redemption*).

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

“**Admission to Trading Failure Event**” means that (i) the Notes are not admitted to trading on the sustainable bond list of Nasdaq Stockholm (or another Regulated Market) within the Admission to Trading Period, or (ii) following a successful admission to trading and subsequent de-listing of the Notes from on sustainable bond list of Nasdaq Stockholm (or another Regulated Market) the Notes are not re-admitted to trading listed by the date falling sixty (60) calendar days from the date of the de-listing.

“**Admission to Trading Period**” means one hundred twenty (120) calendar days from (and excluding) the First Issue Date.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Agency Agreement**” means the agency agreement entered into on or before the First Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the First Issue Date between the Issuer and an agent.

“**Agent**” means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Amendment Date**” means [●] 2023

“**Balance Sheet**” means, at any time, the balance sheet forming part of the latest consolidated audited financial statements of the Group.

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

“**Business Day Convention**” means-:

- (a) from the First Issue Date to (and including) the Interest Rate Switch Date, 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-; and
- (b) from (but excluding) the Interest Rate Switch Date, the first following day that is a Business Day.

“**Cash Interest**” means three (3) per cent. per annum.

“**Change of Control Event**” means, in relation to shares of the Issuer, an event or series of events resulting in:

- (a) one or more persons acting together, acquire control over the Issuer and where “control” means (a) acquiring or controlling, directly or indirectly, more than fifty (50) per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the members of the board of directors of the Issuer; or
- (b) the Issuer at any time becomes delisted from Nasdaq First North or a Regulated Market.

“**Compliance Certificate**” means a certificate, in the form appended to these Terms and Conditions as Schedule 1 (Form of Compliance Certificate), signed by the Issuer certifying (a) that, so far as the Issuer is aware, no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it, (b) if provided in connection with a Financial Report being made available or following the request of the Agent, including relevant calculations and figures, and (c) if relevant, satisfaction of the Incurrence Test (if relevant) including relevant calculations and figures.

“**Contract Manufacturer**” means any third party entity, other than (i) Sunflare, (ii) any entity owned by, controlled by, or otherwise affiliated with, Sunflare, or (iii) any entity (directly or indirectly) owned by, controlled by, or otherwise affiliated with, the majority owners of the Issuer.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or another party replacing it, as CSD, in accordance with these Terms and Conditions.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Notes from time to time.

“**Debt Register**” means the debt register (*skuldbok*) kept by the CSD in respect of the Notes.

“**Disbursement Notice**” means a certificate, in form appended to these Terms and Conditions as Schedule 2 (*Form of Disbursement Notice*), signed by the Issuer (a) certifying that so far as it is aware no Event of Default is continuing, (b) including relevant calculations and figures regarding disbursement of Restricted Proceeds from the Escrow Account, and (c) including an instruction to disburse Restricted Proceeds to a bank account of the Issuer.

“**EBITDA**” has the meaning set forth in Clause 13.1.

“**Equity**” has the meaning set forth in Clause 13.1.

“**Equity Ratio**” has the meaning set forth in Clause 13.1.

“**Escrow Account**” means a bank account of the Issuer held with the Account Bank, into which the proceeds from the Initial Notes will be transferred and which has been pledged in favour of the Agent and the Noteholders (represented by the Agent) under the Escrow Account Pledge Agreement for the purpose of the arrangement specified in Clause 5 (*Escrow of Proceeds*).

“**Escrow Account Pledge Agreement**” means the pledge agreement entered into between the Issuer and the Agent in respect of a first priority pledge over the Escrow Account and all funds held on the Escrow Account from time to time, granted in favour of the Noteholders.

“**Event of Default**” means an event or circumstance specified in Clause 14.1.

“**Extended Final Maturity Date**” means ~~the date falling four (4) years after the First Issue Date~~ 25 April 2026.

“**Finance Documents**” means:

- (a) the Terms and Conditions;
- (b) the Escrow Account Pledge Agreement; and
- (c) any other document designated by the Issuer and the Agent (on behalf of itself and the Noteholders) as a Finance Document.

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability in respect of any lease or hire purchase contract, a liability which would, in accordance with IFRS as applicable on the First Issue Date, be treated as a Balance Sheet liability;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;

- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.

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

“**Financial Report**” means the Group’s annual audited consolidated financial statements and quarterly interim unaudited consolidated reports.

“**First Call Date**” means that date falling twenty-four (24) months after the First Issue Date.

“**First Issue Date**” means 25 April 2019.

“**Force Majeure Event**” has the meaning set forth in Clause 24.1.

“**Green Bond Framework**” means a green bond framework which is available on the website of the Issuer (originally dated 22 March 2019).

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

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

“**Incurrence Test**” means the test pursuant to Clause 13.3 (*Incurrence Test*).

“**Initial Nominal Amount**” has the meaning set forth in Clause 2.3.

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

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent pursuant to Chapter 1, Section 2 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) 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 Notes calculated in accordance with Clauses 9.1 to 9.3 and 9.2.

“**Interest Payment Date**” means 25 April, 25 July, 25 October and 25 January of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 25 July 2019 and the last Interest Payment Date shall be the relevant Redemption Date.

“**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:-

- (a) for the period from (but excluding) the First Issue Date to (and including) the Interest Rate Switch Date, STIBOR plus the Margin; and
- (b) for the period from (but excluding) the Interest Rate Switch Date, the Cash Interest and the PIK Interest.

“**Interest Rate Switch Date**” means 25 April 2023.

“**Issue Date**” means the First Issue Date and any subsequent date when the issuance of Subsequent Notes takes place.

“**Issuer**” means Midsummer AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556665-7838.

“**Issuing Agent**” means, initially, Nordea Bank Abp, filial i Sverige and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

“**Leverage Ratio**” has the meaning set forth in Clause 13.1.

“**Manufacturing Line**” means a turnkey manufacturing line for manufacturing of flexible solar cells constructed by the Issuer.

“**Margin**” means 8.50 per cent. *per annum*.

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

“**Material Adverse Effect**” means any event or series of events which, taking into account all the circumstances will have a material adverse effect on:

- (a) the consolidated business, assets or financial condition of the Group taken as a whole such that the Issuer would be unable to perform its payment obligations under these Terms and Conditions; or
- (b) subject to any legal reservations, the validity and enforceability of the Finance Documents to an extent which is materially adverse to the interests of the

Noteholders and, if capable of remedy, is not remedied within twenty (20) Business Days of the earlier of (i) the Issuer becoming aware of the issue and (ii) the Issuer receiving written notice of the issue.

“**Net Debt**” has the meaning set forth in Clause 13.1.

“**Net Proceeds**” means the cash proceeds from the Notes Issue which, after deduction has been made for the Transaction Costs payable by the Issuer in connection with issuance of the Notes, shall be transferred to the Issuer or the Escrow Account and used in accordance with Clause 3 (*Use of Proceeds*).

~~“**Nominal Amount**” has the meaning set forth in Clause 2.3.~~

“**Nominal Amount**” means in respect of each Note the Initial Nominal Amount, less the aggregate amount by which that Note has been redeemed in part pursuant to Clause 10.3 (*Voluntary partial redemption*).

“**Nominal Interest Amount**” means an amount equal to the sum of (i) the Nominal Amount and (ii) the Accrued PIK Interest.

“**Note**” means a debt instrument (*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 Notes and any Subsequent Notes.

“**Note Issue**” means the issue of Notes by the Issuer pursuant to the Terms and Conditions.

“**Noteholder**” means the person who is registered as direct registered owner (*direktregistrerad ägare*) or nominee (*förvaltare*) in the Debt Register.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clauses 16.1 (*Request for a decision*), 16.2 (*Convening of Noteholders’ Meeting*) and 16.4 (*Majority, quorum and other provisions*).

“**Original Final Maturity Date**” means the date falling four (4) years after the First Issue Date (being 25 April 2023).

“**Permitted Financial Indebtedness**” means:

- (a) incurred under the Initial Notes;
- (b) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested *pro forma* including such incurrence, and which:
 - (i) is incurred as a result of a Note Issue of Subsequent Notes under the Terms and Conditions; or
 - (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Terms and Conditions, and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur on or after the Extended Final Maturity Date,

in each case provided that no Event of Default is outstanding;

- (c) any Financial Indebtedness arising as a result of:
 - (i) a contemplated refinancing of Notes (in full or in part) (including, but not limited to, tender or exchange offers) provided that the relevant Notes are refinanced within 30 days from the date of incurring such Financial Indebtedness;
 - (ii) a contemplated refinancing of the Notes in full in accordance with Clause ~~10.3~~10.4 (*Voluntary total redemption (call option)*) provided that the proceeds of such Financial Indebtedness are held in escrow until full repayment of the Notes; or
 - (iii) redemption of the Notes in full on the Extended Final Maturity Date provided that the proceeds of such Financial Indebtedness are held in escrow until full repayment of the Notes,
- (a “**Refinancing**”);
- (d) between Group Companies (other than the Issuer);
- (e) incurred pursuant to any lease arrangements:
 - (i) related to any agreements under which the Issuer or any Group Company leases commercial property (*kommersiella fastigheter*) or other premises (including, but not limited to, parking lots and garages) provided that such Financial Indebtedness is incurred in the ordinary course of the Issuer’s business;
 - (ii) related to any agreements under which the Issuer or any Group Company leases cars on behalf, and for the benefit, of its employees; or
 - (iii) if not permitted by any of paragraphs (i) – (ii) above, up to a maximum individually or in the aggregate amount of SEK 1,000,000;
- (f) incurred in the ordinary course of business with suppliers of goods with a maximum duration of 90 days;
- (g) any guarantee issued by a Group Company to any of its trading partners in the ordinary course of business of a Group Company;
- (h) in the form of 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 in respect of an underlying liability in the ordinary course of business of a Group Company;
- (i) incurred under a SEK 8,000,000 loan from the Swedish Energy Agency (*Energimyndigheten*);
- (j) non-speculative hedging transactions entered into in the ordinary course of business in connection with protection against interest rate or currency fluctuations; and
- (k) if not permitted by any of paragraphs (a) – (j) above which does not in aggregate at any time exceed the higher of SEK 25,000,000 and 0.4x EBITDA of the Group pursuant to the most recent delivered Financial Report.

“**Permitted Security**” means:

- (a) Security provided in accordance with the Finance Documents;
- (b) any right of netting or set off over credit balances on bank accounts arising in the ordinary course of banking arrangements of the Group;
- (c) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any Group Company;
- (d) any lien arising by operation of law and in the ordinary course of trading;
- (e) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a Refinancing are intended to be received (provided that only proceeds from the Refinancing shall stand to the credit of such account);
- (f) Security for Financial Indebtedness permitted by paragraph (j) of the definition of “Permitted Financial Indebtedness”; and
- (g) any Security securing indebtedness of the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security given by any Group Company other than any permitted under paragraphs (a) to (f) above) does not in aggregate at any time exceed the higher of SEK 25,000,000 and 0.4x EBITDA of the Group pursuant to the most recent delivered Financial Report.

“**PIK Interest**” means ten (10) per cent. per annum.

“**PIK Interest Period**” means (i) in respect of the first PIK Interest Period, the period from (but excluding) the Original Final Maturity Date to (and including) the first anniversary of the Original Final Maturity Date, and (ii) in respect of subsequent PIK Interest Periods, the period from (but excluding) the relevant anniversary of the Original Final Maturity Date to (and including) the next succeeding anniversary of the Original Final Maturity Date (or a shorter period if relevant).

“**Quarter Date**” means the last day of each calendar quarter of the Issuer’s financial year.

“**Quotation Day**” means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 15 (*Distribution of proceeds*), (iv) the date of a Noteholders’ 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 Notes are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Notes*).

“**Reference Banks**” means banks reasonably selected by the Issuing Agent.

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments).

“**Relevant Period**” means the twelve (12) month period ending on each Quarter Date.

“**Restricted Proceeds**” means an amount equal to the Net Proceeds from the Initial Notes Issue less the Unrestricted Proceeds.

“**Securities Account**” means the account for dematerialised securities (*avstämningsregister*) 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.

“**Share Issue**” means the share issue with preferential rights for the Issuer’s existing shareholders raising gross proceeds of not less than SEK 150,000,000.

“**Share Issue Long-Stop Date**” means 31 July 2023.

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period;
- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic mean of the 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 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.

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

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (*dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (*aktiebolagslagen (2005:551)*).

“**Sunflare**” means Sunflare, Inc. with California Corporate Number C3798950.

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

“**Total Assets**” has the meaning set forth in Clause 13.1.

“**Total Nominal Amount**” means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

“**Transaction Costs**” means all fees, costs and expenses incurred by the Issuer and any Group Company in connection with the issue of the Notes and the admission to trading of the Notes on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable).

“**Unrestricted Proceeds**” means SEK 100,000,000.

“**Written Procedure**” means the written or electronic procedure for decision making among the Noteholders in accordance with Clauses 16.1 (*Request for a decision*), 16.3 (*Instigation of Written Procedure*) and 16.4 (*Majority, quorum and other provisions*).

1.2 Construction

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any law, 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;
- (d) a provision of regulation is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

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

1.2.3 When ascertaining whether a limit or threshold specified in 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 (*Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

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

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

2. STATUS OF THE NOTES

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The initial nominal amount of each Initial Note is SEK 1,000,000 (the “Initial Nominal Amount”). The maximum aggregate nominal amount of the Initial Notes as at the First Issue Date is SEK 200,000,000. All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.
- 2.4 Provided that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the relevant issue of Subsequent Notes and (ii) the Incurrence Test is met, the Issuer may, on one or several occasions provided that the Issuer meets the Incurrence Test, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. The maximum aggregate nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 500,000,000 unless a consent from the Noteholders is obtained in accordance with Clause 16.4.2(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause ~~9-19.2.2~~, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required and as such the Notes have not been and will not be registered, and may be restricted, in United States, Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Notes may be restricted by law. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. USE OF PROCEEDS

- 3.1 The Unrestricted Proceeds from the Initial Notes shall be applied by the Issuer towards general corporate purposes in accordance with the Green Bond Framework.

3.2 The Restricted Proceeds from the Initial Notes shall initially be deposited in the Escrow Account. Upon release from the Escrow Account, the amount so released from the Escrow Account shall be applied by the Issuer towards general corporate purposes in accordance with the Green Bond Framework.

3.3 The Net Proceeds from a Subsequent Note Issue may be applied by the Issuer towards general corporate purposes in accordance with the Green Bond Framework.

4. CONDITIONS FOR DISBURSEMENT

4.1 The Issuer shall provide to the Agent, no later than two (2) Business Days prior to the First Issue Date, the following:

- (a) copies of constitutional documents of the Issuer;
- (b) copies of the necessary corporate resolutions (including authorisations) from the Issuer;
- (c) the Terms and Conditions duly executed by the Issuer;
- (d) the Escrow Account Pledge Agreement duly executed by the parties thereto and evidence that it is duly perfected;
- (e) the Agency Agreement duly executed by the parties thereto; and
- (f) a duly executed affiliation agreement made between the Issuer and the CSD and evidence that the Notes will be registered with the CSD.

4.2 The Issuer shall provide to the Agent, no later than two (2) Business Days prior to the Issue Date in respect of Subsequent Notes, the following:

- (a) copies of constitutional documents of the Issuer;
- (b) copies of the necessary corporate resolutions (including authorisations) from the Issuer;
- (c) a certificate from the Issuer confirming that no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the issue of the Subsequent Notes and evidencing that the Incurrence Test is met; and
- (d) such other documents and information as is agreed between the Agent and the Issuer.

4.3 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4.1 or 4.2, as the case may be, have been fulfilled. The relevant Issue Date shall not occur unless (i) the Agent makes such confirmation or amends or waives such conditions in accordance with Clause 17 (*Amendments and waivers*) no later than one (1) Business Day prior to the relevant Issue Date, or (ii) the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.

- 4.4 Following receipt by the Issuing Agent of a confirmation from the Agent pursuant to Clause 4.3 that:
- (a) the conditions in Clause 4.1 have been fulfilled, the Issuing Agent shall promptly transfer the Unrestricted Proceeds to the Issuer and the Restricted Proceeds to the Escrow Account; and
 - (b) the conditions in Clause 4.2 have been fulfilled, the Issuing Agent shall promptly transfer the Net Proceeds from the issue of the relevant Subsequent Notes to the Issuer.
- 4.5 The Agent does not review the documents and evidence referred to in Clause 4.1 or 4.2 from a legal or commercial perspective of the Noteholders. The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1 or 4.2 is accurate, legally valid, enforceable, correct, true and complete and the Agent does not have to verify or assess the contents of any such documentation.
- 5. ESCROW OF PROCEEDS**
- 5.1 The Restricted Proceeds standing to the credit on the Escrow Account will be blocked and pledged by the Issuer in favour of the Noteholders under the Escrow Account Pledge Agreement.
- 5.2 The Issuer may request that Restricted Proceeds standing to the credit of the Escrow Account are disbursed to it by sending a Disbursement Notice to the Agent. The Issuer may in a Disbursement Notice request a disbursement from the Escrow Account of:
- (a) SEK 15,000,000 (or, if less, the amount standing to the credit of the Escrow Account) when a Manufacturing Line has been sold to a Contract Manufacturer (a “**Sold Manufacturing Line**”);
 - (b) SEK 15,000,000 (or, if less, the amount standing to the credit of the Escrow Account) when four and a half months have passed from the date when a disbursement from the Escrow Account has been made in relation to a Sold Manufacturing Line pursuant to paragraph (a) above; or
 - (c) SEK 15,000,000 (or, if less, the amount standing to the credit of the Escrow Account) after a Sold Manufacturing Line has been shipped from the Issuer.
- 5.3 The Agent’s approval of disbursement of Restricted Proceeds from the Escrow Account is in each case only subject to that no Event of Default has occurred and is continuing and the Agent being satisfied that it has received a duly executed Disbursement Notice. When the Agent is satisfied that it has received the conditions precedent for disbursement set out in Clause 5.2 above, the Agent shall instruct the Account Bank to transfer the funds from the Escrow Account in accordance with the Disbursement Notice.
- 5.4 The Agent does not review the documents and evidence referred to in Clause 5.2 from a legal or commercial perspective of the Noteholders. The Agent may assume that the documentation delivered to it pursuant to Clause 5.2 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

6. NOTES IN BOOK-ENTRY FORM

- 6.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator. The Debt Register shall be conclusive evidence of the persons who are Noteholders and their holdings of Notes.
- 6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.
- 6.4 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. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.
- 6.5 The Issuer and the Agent may use the information referred to in Clauses 6.3 and 6.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

- 7.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisations starting with the Noteholder and authorising such person.
- 7.2 A Noteholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 7.2 and may assume that such document 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 or the Agent has actual knowledge to the contrary.

8. PAYMENTS IN RESPECT OF THE NOTES

- 8.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder 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 Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

- 8.2 If a Noteholder 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. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause ~~9.4~~9.3 during such postponement.
- 8.4 If payment or repayment is made in accordance with this Clause 8, 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.
- 8.5 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.

9. INTEREST

9.1 Interest to (and including) the Interest Rate Switch Date

9.1.1 ~~9.1~~ Each Initial Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the ~~relevant Redemption~~Interest Rate Switch Date. Any Subsequent Note will carry Interest at the Interest Rate applied to the Nominal Amount 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~~Interest Rate Switch Date.

9.1.2 ~~9.2~~ Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.

9.1.3 ~~9.3~~ 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).

9.2 Interest from (but excluding) the Interest Rate Switch Date

9.2.1 Each Note concurrently carries Interest at:

- (a) the Cash Interest rate applied to the Nominal Amount; and
- (b) the PIK Interest rate applied to the Nominal Interest Amount,

from (but excluding) the Interest Rate Switch Date up to (and including) the relevant Redemption Date.

9.2.2 Cash Interest

9.2.2.1 Cash Interest accrues during an Interest Period. Payment of Cash Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.

9.2.2.2 Cash Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) months of thirty (30) days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).

9.2.3 PIK Interest

9.2.3.1 PIK Interest accrues during a PIK Interest Period and shall be capitalised yearly on each anniversary of the Original Final Repayment Date. Subject to Clause 9.2.3.4, all Accrued PIK Interest shall be paid in full on the Extended Final Redemption Date.

9.2.3.2 PIK Interest shall be calculated on the basis of a 360-day year comprised of twelve (12) months of thirty (30) days each and, in case of an incomplete month, the actual number of days elapsed (30/360-days basis).

9.2.3.3 All Accrued PIK Interest and any PIK Interest accruing during the current PIK Interest Period shall become immediately payable if all amounts due in respect of the Notes shall be immediately due and payable under Clause 14 (*Acceleration of the Notes*) or if the Notes are redeemed in accordance with Clause 10 (*Redemption and repurchase of the Notes*).

9.2.3.4 For each PIK Interest Period, the Issuer shall calculate and provide information on the Nominal Interest Amount to the Agent where such information on calculation for a PIK Interest Period shall be provided to the Agent each anniversary of the Original Final Repayment Date. Before any redemption and/or partial prepayment of the Notes, the Issuer shall provide the CSD with such calculations, in accordance with the applicable rules and regulations of the CSD in order to establish with the CSD the correct amount to be redemption and/or partial prepayment of the Notes under these Terms and Conditions.

9.3 Default interest

9.4 If the Issuer fails to pay any amount payable by it under the Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 200 basis points higher than the Interest Rate. The default interest shall not be capitalised but be payable to each person who was a Noteholder on the Record Date for the original due date. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

10. REDEMPTION AND REPURCHASE OF THE NOTES

10.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Extended Final Maturity Date with an amount per Note equal to 108 per cent. of the Nominal Amount together with accrued but unpaid Interest (including, for the avoidance of doubt, Accrued PIK Interest). If the Extended Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

10.2 Purchase of Notes by the Issuer

10.2.1 The Issuer may, subject to applicable regulations, at any time and at any price purchase Notes on the market or in any other way.

10.2.2 Notes held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled (except in connection with redemption of the Notes in full).

~~10.3~~ ~~Voluntary total redemption (call option)~~

~~10.3.1~~ ~~The Issuer may redeem all, but not some only, of the outstanding Notes in full:~~

10.3 Voluntary partial redemption

10.3.1 The Issuer may at one or more occasions make partial repayments of Notes in which case all outstanding Notes shall be partially repaid by way of reducing the outstanding Nominal Amount of each Note *pro rata* in accordance with the procedures of the CSD.

10.3.2 The repayment per Note shall equal:

- (a) the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1.00); plus
- (b) a premium on the repaid amount of:
 - (i) one (1.00) per cent. if repayment is made any time from and including the ~~First Call~~ Original Final Maturity Date to, but excluding, the first Business Day falling ~~thirty (30) months after the First Issue Date at an amount per Note equal to 104.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest;~~ twelve (12) months;
 - (ii) five (5.00) per cent. if repayment is made any time from and including the first Business Day falling ~~thirty-twelve (30) twelve (30) months after the First Issue Date to, but excluding, the first Business Day falling thirty-six (36) months after the First Issue Date at an amount per Note equal to 103.40 per cent. of the Nominal Amount, together with accrued but unpaid Interest;~~ Original Final Maturity Date; or
 - (iii) eight (8.00) per cent. if repayment is made any time from and including the first Business Day falling ~~thirty-six (36) months after the First Issue Date to, but excluding, the first Business Day falling forty-two (42) months after the First Issue Date at an amount per Note equal to 101.70 per cent. of the Nominal Amount, together with accrued but unpaid Interest;~~ Original Final Maturity Date; plus
- (c) accrued but unpaid Interest (including, for the avoidance of doubt, Accrued PIK Interest) on the repaid amount.
- ~~(d)~~ ~~any time from and including the first Business Day falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100.85 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and~~

~~(e) notwithstanding paragraph (d) above, at any time from and including the first Business Day falling three (3) months before the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that the aggregate outstanding Nominal Amount of the Notes are refinanced in full by way of the Issuer issuing a new Market Loan in which the Noteholders shall have the possibility to participate (subject to the Issuer's decision on allocation).~~

~~10.3.2 The Issuer may not redeem any outstanding Notes in full prior to the First Call Date except as provided in Clause 10.4 (Early redemption due to illegality (call option)) or Clause 10.5 (Mandatory repurchase due to a Change of Control Event or an Admission to Trading Failure Event (put option)).~~

10.3.3 ~~Redemption~~ Partial redemption in accordance with Clause 10.3.1 shall be made by the Issuer giving not less than fifteen (15) ~~Business Days' notice and not more than thirty (30) Business Days' notice~~ to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The ~~Notice~~ notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be satisfied prior to the Record Date. Upon fulfilment of the conditions precedent (if any), the Issuer ~~is bound to shall redeem the Notes in full each Note in part~~ at the applicable amount pursuant to Clause 10.3.2 on the specified Redemption Date. The applicable amount shall be an even amount in Swedish Kronor and rounded down to the nearest SEK 1.

10.4 Voluntary total redemption (call option)

10.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes in full:

- (a) any time from and including the Amendment Date to, but excluding, the Original Final Maturity Date at a price per Note equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest;
- (b) any time from and including the Original Final Maturity Date to, but excluding, the first Business Day falling twelve (12) months after the Original Final Maturity Date at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest (including, for the avoidance of doubt, Accrued PIK Interest);
- (c) any time from and including the first Business Day falling twelve (12) months after the Original Final Maturity Date to, but excluding, the first Business Day falling twenty-four (24) months after the Original Final Maturity Date at a price per Note equal to 105 per cent. of the Nominal Amount together with accrued but unpaid Interest (including, for the avoidance of doubt, Accrued PIK Interest); and
- (d) any time from and including the first Business Day falling twenty-four (24) months after the Original Final Maturity Date to, but excluding, the Extended Final Maturity Date at a price per Note equal to 108 per cent. of the Nominal Amount together with accrued but unpaid Interest (including, for the avoidance of doubt, Accrued PIK Interest).

10.4.2 Redemption in accordance with Clause 10.4.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice and not more than thirty (30) Business Days' notice to the Noteholders and the Agent, in each case calculated from the effective date of the

notice. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

10.5 ~~10.4~~ **Early redemption due to illegality (call option)**

10.5.1 ~~10.4.1~~ The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Interest Amount together with accrued but unpaid and non-capitalised Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

10.5.2 ~~10.4.2~~ The Issuer may give notice of redemption pursuant to Clause ~~10.4.1~~ 10.5.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer shall redeem, the Notes in full at the applicable amount on the specified Redemption Date.

10.6 ~~10.5~~ **Mandatory repurchase due to a Change of Control Event or an Admission to Trading Failure Event (put option)**

10.6.1 ~~10.5.1~~ Upon the occurrence of a Change of Control Event, each Noteholder shall, during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Change of Control Event pursuant to Clause 11.1.3 (after which time period such right shall lapse), have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest (including, for the avoidance of doubt, Accrued PIK Interest). However, such period may not start earlier than upon the occurrence of the Change of Control Event.

10.6.2 ~~10.5.2~~ Upon the occurrence of an Admission to Trading Failure Event, each Noteholder shall, during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Admission to Trading Failure Event pursuant to Clause 10.1.3 (after which time period such right shall lapse), have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.

10.6.3 ~~10.5.3~~ The notice from the Issuer pursuant to Clause ~~10.1.3~~ 11.1.3 shall specify the period during which the right pursuant to Clause ~~10.5.1 or 10.5.2~~ 10.6.1 or 10.6.2 may be exercised, the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 11.1.3. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clause ~~10.5.1~~ 10.6.1 and ~~10.5.2~~ 10.6.2.

- 10.6.4 ~~10.5.4~~ If Noteholders representing more than 75 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause ~~10.5~~10.6, the Issuer may, no later than five (5) Business Days after the end of the period referred to in Clause ~~10.5.1 or 10.5.2~~10.6.1 or 10.6.2, send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause ~~10.5.4~~10.6.4. The Redemption Date must fall no later than forty (40) Business Days after the end of the period of twenty (20) Business Days referred to in this Clause ~~10.5.4~~10.6.4.
- 10.6.5 ~~10.5.5~~ The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Notes. To the extent that the provisions of such regulations conflict with the provisions in this Clause ~~10.5~~10.6, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause ~~10.5~~10.6 by virtue of the conflict.
- 10.6.6 ~~10.5.6~~ Any Notes repurchased by the Issuer pursuant to this Clause ~~10.5~~10.6 may at the Issuer's discretion be retained, sold or cancelled.
- 10.6.7 ~~10.5.7~~ The Issuer shall not be required to repurchase any Notes pursuant to this Clause ~~10.5~~10.6, if a third party in connection with the occurrence of a Change of Control Event or an Admission to Trading Failure Event offers to purchase the Notes in the manner and on the terms set out in this Clause ~~10.5~~10.6 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If Notes tendered are not purchased within the time limits stipulated in this Clause ~~10.5~~10.6, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 10.6.8 ~~10.5.8~~ No repurchase of Notes pursuant to this Clause ~~10.5~~10.6 shall be required if the Issuer has given notice of a redemption pursuant to Clause ~~10.3~~10.4 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

11. INFORMATION TO NOTEHOLDERS

11.1 Information from the Issuer

11.1.1 The Issuer shall make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but:
 - (i) prior to the admission to trading of the Notes, at the time required by applicable law; and

- (ii) from and including the admission to trading of the Notes on a Regulated Market, in any event within four (4) months after the end of each financial year,

the annual audited consolidated financial statements of the Group;

- (b) as soon as the same become available, but in any event within two (2) months after the end of each relevant interim period, the quarterly interim unaudited consolidated reports of the Group or, as applicable and at the frequency required by the applicable provisions of the Nasdaq Stockholm rulebook for issuers from time to time, the year-end report (*bokslutskommuniké*) for such period prepared in accordance with the Accounting Principles; and
 - (c) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading or listed.
- 11.1.2 The Issuer shall prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the applicable rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).
- 11.1.3 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event ~~or~~, an Admission to Trading Failure Event or if the Share Issue will not be consummated prior to or on the Share Issue Long-Stop Date. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event. The Issuer shall provide the Agent with such further information as the Agent may request (acting reasonably) in writing following receipt of such notice.
- 11.1.4 The Issuer shall immediately 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.
- 11.1.5 The Issuer shall:
- (a) on the earlier of when the financial statements pursuant to Clause 11.1.1 (i) are made available, or (ii) should have been made available;
 - (b) in connection with the incurrence of new Financial Indebtedness pursuant to the Incurrence Test; or
 - (c) within 20 days from the request of the Agent,
- submit to the Agent a Compliance Certificate

11.2 Information from the Agent

11.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2.2, the Agent is entitled to disclose to the Noteholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 14.4 and 14.5).

11.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*), 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 Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

11.3 Information among the Noteholders

Subject to applicable regulations, the Agent shall promptly upon the reasonable request by a Noteholder forward by post any information from such Noteholder to the Noteholders which relates to the Notes. The Agent may require that the requesting Noteholder reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

11.4 Availability of Finance Documents

11.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

11.4.2 The latest versions of the Finance Documents (other than the Terms and Conditions) not made available pursuant to Clause 11.4.1 shall be made available by the Agent during normal business hours to any person by way of email or at the office of the Agent. The Agent may require that the requesting person reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

12. GENERAL UNDERTAKINGS

12.1 Distributions and other transactions

The Issuer shall not, and shall procure that no other Group Company will, (i) pay any dividends on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity (*bundet eget kapital*) with repayment to shareholders, (iv) repay principal or pay interest under any loans from shareholders or Affiliates, or (v) make other similar distributions or transfers of value (*värdeöverföringar*) within the meaning of the Swedish Companies Act to its shareholders or Affiliates (items (i)-(v) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment can be made (A) if made to the Issuer or a Group Company (on a *pro rata* basis if such Group Company is not directly or indirectly wholly-owned by the Issuer), (B) if it is made as a group contribution (*koncernbidrag*) to (i) the Issuer, provided that no cash is transferred or (ii) a Group Company (other than the Issuer), provided that no cash is transferred and that the Group Company receiving the group contribution makes a

shareholders' contribution (*ovillkorat aktieägartillskott*) in the same amount, and simultaneously with the group contribution, to the grantor of the group contribution, or (C) if made by a Group Company (other than the Issuer), to any Subsidiary of the Issuer (on a *pro rata* basis if to a Subsidiary that is not directly or indirectly wholly-owned by the Issuer).

12.2 **Market Loans**

12.2.1 Other than in the form of Subsequent Notes, the Issuer shall not, and shall procure that no other Group Companies:

- (a) issue any Market Loans with scheduled or intended redemption, in full or in part, before the Extended Final Maturity Date; or
- (b) create or permit to subsist any Security (including guarantees) in respect of Market Loans.

12.2.2 The Issuer shall procure that no other Group Company issues any Market Loan.

12.3 **Financial Indebtedness**

The Issuer shall not, and shall procure that none of the other Group Companies shall, incur any new, or maintain or prolong any existing, Financial Indebtedness, provided however that the Group Companies have a right to incur, maintain and prolong any Financial Indebtedness which constitutes Permitted Financial Indebtedness.

12.4 **Negative pledge**

The Issuer shall not, and shall procure that none of the other Group Companies, create or allow to subsist, retain, provide, extend or renew any guarantee or Security over any of its/their assets (present or future) to secure any Financial Indebtedness, provided however that each of the Group Companies has a right to create or allow to subsist, retain, provide, extend and renew any Permitted Security.

12.5 **Dealings with related parties**

The Issuer shall:

- (a) procure that each Group Company will, conduct all dealings with the management and the direct and indirect shareholders of the Group Companies and/or any affiliates of such management or direct and indirect shareholders, at arm's length terms; and
- (b) conduct all dealings with the management and the direct and indirect shareholders of the Issuer and/or any affiliates of such management or direct and indirect shareholders, at arm's length terms.

12.6 **Disposal of assets**

The Issuer shall not, and shall procure that no other Group Company shall, sell or otherwise dispose of any business, assets, operations or shares in Subsidiaries other than disposals:

- (a) between wholly-owned Group Companies (other than the Issuer);
- (b) in the ordinary course of trading of the disposing entity;

- (c) of obsolete and redundant assets;
- (d) in exchange for other assets comparable or superior as to type, value and quality; or
- (e) of any business, assets or shares in Subsidiaries not otherwise permitted by paragraphs (a) – (d) above, provided that that it does not have a Material Adverse Effect,

provided, in respect of paragraphs (b) – (e) above, that the transaction is carried out at fair market value and on arm's length terms. The Issuer shall upon request by the Agent, provide the Agent with any information relating to any disposal made pursuant to paragraph (e) above which the Agent deems necessary (acting reasonably).

12.7 **Change of business**

The Issuer shall procure that no substantial change is made to the general nature of the business of the Group (taken as a whole) from that carried on as at the First Issue Date.

12.8 **Admission to trading of Notes**

The Issuer shall (i) use its best efforts to ensure that the Initial Notes are admitted to trading on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market, in each case within the Admission to Trading Period, (ii) ensure that the Initial Notes (and any Subsequent Notes (as applicable)), once admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), continue being admitted to trading thereon but no longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of Nasdaq Stockholm (or any other Regulated Market) and the CSD, subsist, and (iii) provided that the Initial Notes have been admitted to trading, ensure that, upon any Subsequent Notes issue, the volume of Notes is admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) promptly, and not later than thirty (30) days after the relevant Issue Date, is increased accordingly.

12.9 ***Pari Passu* ranking**

The Issuer shall ensure that its payment obligations under the Notes at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except for those obligations which are mandatorily preferred by law, and without any preference among them.

12.10 **Intellectual property**

The Issuer shall (and shall ensure that all other Group Companies) (i) preserve and maintain all intellectual property material to conduct the business of the Group, (ii) use reasonable endeavours to prevent infringement in any material respect of any intellectual property, and (iii) take all measures to ensure that intellectual property remains valid and in full force and effect, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

12.11 **Insurance**

The Issuer shall (and shall ensure that each Group Company will) maintain adequate risk protection through insurances (including business interruption and third party risk insurance) on and in relation to its business and assets to the extent reasonably required on the basis of

good business practice, taking into account, *inter alia*, the financial position of the Group and the nature of its operations. All insurances that are not in the form of self-insurance must be with reputable independent insurance companies or underwriters.

12.12 **Compliance with laws**

The Issuer shall, and shall procure that each other Group Company, (i) comply in all material respects with all laws and regulations applicable from time to time and (ii) obtain, maintain, and in all material respects comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by each Group Company.

12.13 **Undertakings relating to the Agency Agreement**

12.13.1 The Issuer shall, in accordance with the Agency Agreement:

- (a) pay fees to the Agent;
- (b) indemnify the Agent for costs, losses and liabilities;
- (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
- (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.

12.13.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

12.14 **CSD related undertakings**

The Issuer shall keep the Notes affiliated with a CSD and comply with all applicable CSD Regulations.

13. **FINANCIAL UNDERTAKINGS**

13.1 **Definitions**

“**EBITDA**” means operational earnings of the Group, before interest, taxes, depreciation and amortisation (without double counting) for any Relevant Period calculated in accordance with the Accounting Principles.

“**Equity**” means the sum of restricted equity (*bundet eget kapital*) and non-restricted equity (*fritt eget kapital*) of the Group, including any untaxed reserves (reduced by the applicable tax).

“**Equity Ratio**” means the ratio of Equity to Total Assets.

“**Leverage Ratio**” means the ratio of Net Debt to EBITDA.

“**Net Debt**” means on a Group consolidated basis:

- (a) the aggregate amount of all interest-bearing obligations (excluding Financial Indebtedness under Notes held by the Issuer) (including financial lease obligations which according to the Accounting Principles shall be treated as debt);

less:

- (b) (i) freely available cash in hand or at a bank and short-term, highly liquid investments that are immediately convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and (ii) an amount standing to the credit of the Escrow Account equal to the amount attributable to a Sold Manufacturing Line that the Issuer have, or will have, following meeting the criteria set out under paragraphs (b) and/or (c) of Clause 5.2), the right to request to be disbursed from the Escrow Account.

“**Total Assets**” means the total consolidated assets (*totala tillgångar*) of the Group calculated in accordance with the Accounting Principles.

13.2 **Maintenance covenant**

The Issuer shall on the last date of each Relevant Period ensure that the Equity Ratio is not less than twenty (20) per cent.

13.3 **Incurrence Test**

The Incurrence Test is met if the Leverage Ratio (adjusted in accordance with Clause 13.5 (*Calculation Adjustments*)) does not exceed 3.50:1 for the Relevant Period.

13.4 **Testing**

13.4.1 The Incurrence Test shall be applied in connection with the incurrence of Financial Indebtedness which requires the Incurrence Test to be met.

13.4.2 The Leverage Ratio shall be calculated as follows:

- (a) the calculation shall be made as per a testing date falling on the date of the incurrence of the new Financial Indebtedness; and
- (b) the amount of Net Debt shall be measured on the relevant testing date so determined:
 - (i) but (in each case provided it is an interest bearing obligation) include the new Financial Indebtedness (and any Financial Indebtedness owed by any entity acquired with such Financial Indebtedness) and exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred; and
 - (ii) be increased by any Permitted Financial Indebtedness for which the Leverage Ratio is tested,

however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Debt.

13.5 Calculation Adjustments

The figures for EBITDA for the Relevant Period as of the most recent Quarter Date (including when necessary, financial statements published before the First Issue Date) for which financial statements have been published shall be used, but adjusted so that:

- (a) entities or business acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period; and
- (b) any entity or business to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period (for the avoidance of doubt, EBITDA of any acquired entity shall be calculated in accordance with the definition of EBITDA).

14. ACCELERATION OF THE NOTES

14.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least 50 per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 14.6, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes 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 (including but not limited to applying the amount standing to the credit of the Escrow Account in accordance with Clause 15 (*Distribution of proceeds*)), if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
 - (i) is caused by technical or administrative error; and
 - (ii) is remedied within five (5) Business Days from the due date;
- (b) any of the financial undertakings set out in Clause 13 (*Financial undertakings*) is not complied with;
- (c) the Share Issue has not been consummated within twenty (20) Business Days of the Share Issue Long-Stop Date;
- (d) ~~(e)~~ the Issuer does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraphs (a) or (b) above), unless the non-compliance:
 - (i) is capable of remedy; and
 - (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (e) ~~(d)~~ any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity,

ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Noteholders or the Agent;

(f) ~~(e)~~ any:

- (i) Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (ii) commitment for a Financial Indebtedness of any Group Company is cancelled or suspended by a creditor as a result of an event of default however described,

provided however that the amount of Financial Indebtedness referred to under items (i) to (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 10,000,000;

(g) ~~(f)~~(i) the Issuer or any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent, or (ii) a moratorium is declared in respect of the Financial Indebtedness of the Issuer or any Group Company;

(h) ~~(g)~~ any corporate action, legal proceedings or other procedures are taken (other than (A) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (B), in relation to a Group Company (other than the Issuer), solvent liquidations) in relation to:

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

(i) ~~(h)~~ any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of a Group Company having an aggregate value exceeding SEK 10,000,000 and is not discharged within thirty (30) calendar days;

(j) ~~(i)~~ a decision is made that (i) any Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent in writing prior thereto or such merger or demerger would have been allowed pursuant to Clause 12.6 (*Disposal of assets*), or (ii) the Issuer shall be merged with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity; or

(k) ~~(j)~~ the Issuer or any Group Company suspends or ceases (or threatens to suspend or cease) to carry on all or substantially all of its business (except if due to a permitted disposal as stipulated in Clause 12.6 (*Disposal of assets*)).

- 14.2 The Agent may not accelerate the Notes in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 14.3 The Issuer shall immediately 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.
- 14.4 The Agent shall notify the Noteholders of an Event of Default within five (5) 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 always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.5 The Agent shall, within twenty (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 Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).
- 14.6 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes 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 Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 14.7 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 14.8 In the event of an acceleration of the Notes in accordance with this Clause 14, the Issuer shall redeem all Notes at an amount equal to the redemption amount specified in Clause 10.4.1, as applicable considering when the acceleration occurs.
- ~~(a) if the acceleration of the Notes occurs prior to the First Call Date, equal to the redemption amount specified in paragraph (a) of Clause 10.3.1; or~~
- ~~(b) if the acceleration of the Notes occurs on or after the First Call Date, equal to the redemption amount specified in Clause 10.3.1, as applicable considering when the acceleration occurs.~~

15. DISTRIBUTION OF PROCEEDS

- 15.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 14 (*Acceleration of the Notes*) and any amount standing to the credit of the Escrow Account shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency

Agreement and the Finance Documents (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' 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 18.2.6, and (iv) any costs and expenses incurred by the Agent in relation to any waiver or amendment of a Finance Document or a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.4.11, together with default interest in accordance with Clause 9.4.9.3 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;

- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

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

- 15.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1(a).
- 15.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate bank account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least ten (10) Business Days before the payment is made. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 8.1 shall apply.

16. DECISIONS BY NOTEHOLDERS

16.1 Request for a decision

- 16.1.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

- 16.1.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' 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 Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 16.1.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders 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 regulations.
- 16.1.4 The Agent shall not be responsible for the content of a notice for a Noteholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 16.1.5 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Noteholder(s) with the information available in the Debt Register in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Noteholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 16.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 16.2 (*Convening of Noteholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*). After a request from the Noteholders pursuant to Clause 18.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.2. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 16.1.7 Should the Issuer or any Noteholder(s) convene a Noteholders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Noteholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.
- 16.2 **Convening of Noteholders' Meeting**
- 16.2.1 The Agent shall convene a Noteholders' Meeting by way of notice to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

16.2.2 The notice pursuant to Clause 16.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The background, reasons and contents of each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

16.2.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

16.3 **Instigation of Written Procedure**

16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

16.3.2 A communication pursuant to Clause 16.3.1 shall include (i) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (ii) 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 (iii) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.3.1). The background, reasons and contents of each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.

16.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16.4 **Majority, quorum and other provisions**

16.4.1 Only a Noteholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a Noteholder:

- (a) on the Business Day specified in the notice pursuant to Clause 16.2.2, in respect of a Noteholders' Meeting, or

- (b) on the Business Day specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount. Each whole Note entitles to one vote and any fraction of a Note voted for by a person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the notice or communication, as the case may be.

16.4.2 The following matters shall require the consent of Noteholders representing at least sixty six and two thirds (66⅔) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:

- (a) the issue of any Subsequent Notes, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (c) a change to the Interest Rate or the Nominal Amount;
- (d) a change to the terms of Clause 5.2;
- (e) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of proceeds*);
- (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 16.4 (*Majority, quorum and other provisions*);
- (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (h) a mandatory exchange of the Notes for other securities; and
- (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 14 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. 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 17.1(a) or (c)), an acceleration of the Notes.

16.4.4 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal

Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.4.6 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Noteholders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 16.4.7 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 applicable.
- 16.4.8 A Noteholder holding more than one Note 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.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Notes (irrespective of whether such person is a Noteholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' 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.
- 16.4.10 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision is to be taken by the Noteholders 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 Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Noteholder. The Agent shall not be responsible for the accuracy of such certificate or

otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.

- 16.4.13 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 16.4.1(a) or 16.4.1(b), as the case may be, and also be 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 Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Notes, provided that the Agent is satisfied that such amendment or waiver:

- (a) is not detrimental to the interest of the Noteholders as a group;
- (b) is made solely for the purpose of rectifying obvious errors and mistakes;
- (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority; or
- (d) has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Noteholders.

- 17.2 The consent of the Noteholders 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.

- 17.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 17.1, 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 11.4 (*Availability 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.

- 17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

18. THE AGENT

18.1 Appointment of the Agent

- 18.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent

in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

- 18.1.2 Each Noteholder 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 under no obligation to represent a Noteholder which does not comply with such request.
- 18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 18.1.5 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.

18.2 Duties of the Agent

- 18.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Security created pursuant to the Escrow Account Pledge Agreement on behalf of the Noteholders and, where relevant, enforcing the Security created under the Escrow Account Pledge Agreement on behalf of the Noteholders.
- 18.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Agent does not bind the Noteholders or the Issuer. The Agent is not responsible for the content, valid execution, legal validity, perfection or enforceability of the Finance Documents.
- 18.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 18.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders as a group 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.
- 18.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Noteholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 18.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Noteholders

under the Finance Documents, and (iii) in connection with any Noteholders' Meeting or Written Procedure, or (iv) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. 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 15 (*Distribution of proceeds*).

- 18.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 18.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iii) whether any other event specified in any Finance Document has occurred. 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.
- 18.2.9 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 regulation.
- 18.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer or the Noteholders (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.
- 18.2.11 The Agent shall give a notice to the Noteholders (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 the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 18.2.10.

18.3 **Liability for the Agent**

- 18.3.1 The Agent will not be liable to the Noteholders 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 never be responsible for indirect or consequential loss.
- 18.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 18.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

18.3.4 The Agent shall have no liability to the Issuer or the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with the Finance Documents.

18.3.5 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 Noteholders under the Finance Documents.

18.4 **Replacement of the Agent**

18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

18.4.2 Subject to Clause 18.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

18.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

18.4.4 If the Noteholders have not appointed a successor Agent within ninety (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 Noteholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company.

18.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

18.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

18.4.7 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 Noteholders 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.

18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, 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 and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

19. THE ISSUING AGENT

- 19.1 The Issuer shall when necessary appoint an 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 Notes. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 19.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, 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.
- 19.3 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Notes.
- 19.4 The Issuing Agent will not be liable to the Noteholders 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 Issuing Agent shall never be responsible for indirect or consequential loss.

20. THE CSD

- 20.1 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 Notes.
- 20.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Noteholder or the admission to trading of the Notes on the Regulated Market. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

21. NO DIRECT ACTIONS BY NOTEHOLDERS

- 21.1 A Noteholder 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 (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Noteholders 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 Noteholder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by

the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 18.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.11 before a Noteholder may take any action referred to in Clause 21.1.

- 21.3 The provisions of Clause 20.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause ~~10.5~~-10.6 (*Mandatory repurchase due to a Change of Control Event or an Admission to Trading Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

22. PRESCRIPTION

- 22.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.

- 22.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) 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.

23. COMMUNICATIONS AND PRESS RELEASES

23.1 Communications

- 23.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:

- (a) if to the Agent, shall be given at the address specified on its website www.nordictrustee.com on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address specified on its website www.midsummer.se 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
- (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Noteholders. A Notice to the Noteholders shall also be published on the websites of the Issuer and the Agent.

- 23.1.2 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, in case of courier

or personal delivery, when it has been left at the address specified in Clause 23.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1, or, in case of email, when received in readable form by the email recipient.

23.1.3 Any notice or other communication pursuant to the Finance Documents shall be in English. However, financial reports pursuant to Clause 11.1.1(a) and (b) may be in Swedish or English.

23.1.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

23.2 Press releases

23.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses ~~10.3-10.4~~ 10.4 (*Voluntary total redemption (call option)*), ~~10.4-10.5~~ 10.5 (*Early redemption due to illegality* (call option)), 11.1.3, 14.3, 16.2.1, 16.3.1, 16.4.13 and 17.3 shall also be published by way of press release by any of the Issuer or the Agent, as applicable.

23.2.2 In addition to Clause 23.2.1, if any information relating to the Notes or the Group contained in a notice the Agent may send to the Noteholders 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 Noteholders 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 Noteholders, the Agent shall be entitled to issue such press release.

24. FORCE MAJEURE

24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism 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.

24.2 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.

24.3 The provisions in this Clause 24 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

25. GOVERNING LAW AND JURISDICTION

25.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

25.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*). The submission to the jurisdiction of the City Court of Stockholm

shall however not limit the right of the Agent (or the Noteholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

SCHEDULE 1
FORM OF COMPLIANCE CERTIFICATE

To: Nordic Trustee & Agency AB (publ)
From: Midsummer AB (publ)
Date: [date]

Dear Sirs,

Terms and Conditions for Midsummer AB (publ)
Up to SEK 500,000,000 senior unsecured floating-fixed and PIK interest rate green notes
(the “Terms and Conditions”)

1. We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate.
2. This compliance certificate relates to:

Test date: [DATE]

Relevant Period: [PERIOD]
3. We confirm that the Equity Ratio for the Relevant Period was not less than 20 per cent.

[Item 4 below shall only be included if the incurrence test pursuant to Clause 13.3 (Incurrence test) is to be reported]
4. [We confirm that the Leverage Ratio for the Relevant Period does not exceed 3.50:1.
5. We confirm that no Event of Default has occurred. *[If this statement cannot be made, the certificate should identify any Event of Default that has occurred and the steps taken to remedy it.]*

Please find calculations of the financial covenants reported in this Compliance Certificate, together with the figures on which such calculations are based, attached hereto.

[Copies of our latest annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, are published on our website www.midsummer.se.]

[Copies of our latest quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited consolidated reports of the Issuer, are published on our website www.midsummer.se.]

Yours faithfully,

MIDSUMMER AB (PUBL)

Name:

Name:

SCHEDULE 2
FORM OF DISBURSEMENT NOTICE

To: Nordic Trustee & Agency AB (publ)
From: Midsummer AB (publ)
Date: [date]

Dear Sirs,

Terms and Conditions for Midsummer AB (publ)
Up to SEK 500,000,000 senior unsecured floating-fixed and PIK interest rate green notes
(the “Terms and Conditions”)

1. We refer to the Terms and Conditions. This is a Disbursement Notice. Terms defined in the Terms and Conditions have the same meaning when used in this Disbursement Notice.
2. We confirm that:
 - (a) We have sold [number] Manufacturing Line[s].
 - (b) Four and a half months have passed from the date when a disbursement from the Escrow Account was been made in relation to [number] of Sold Manufacturing Line[s] pursuant to a Disbursement Notice dated [date].
 - (c) We have shipped [number] of Sold Manufacturing Line[s].
3. We confirm that (i) we have not previously requested disbursement from the Escrow Account in relation to the Manufacturing Line[s] or the event confirmed in item 2 above, and (ii) no Event of Default has occurred.
4. Based on the above, we request that SEK [amount] is disbursed from the Escrow Account and transferred to our bank account with number [bank account number] with [name of bank].
5. This Disbursement Notice is irrevocable.

Yours faithfully,

MIDSUMMER AB (PUBL)

Name:

Name:

SIGNATURES

We hereby certify that the above terms and conditions are binding upon ourselves.

Place: [●]

Date: [●] 2023

MIDSUMMER AB (PUBL)
as Issuer

Name:

Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place: [●]

Date: [●] 2023

NORDIC TRUSTEE & AGENCY AB
as Agent

Name:

Schedule 4
Risk factors

RISK FACTORS

Prior to any decision regarding the Request, it is important to carefully analyze the risk factors considered to be of importance in relation to the Company and the Notes, for example risks related to the Company's business and industry, financial risks, legal and regulatory risks and risks related to the Notes and the Request. The risk factors currently deemed material to the Company, the Notes and the Request are described below. The description of the risk factors below is based on information available and estimates made on 20 March 2023.

Risks relating to the Company

Risks relating to the Company's business and industry

Security of delivery at growth

Midsummer is a Swedish solar energy company that manufactures, sells and installs solar roofs and also develops and markets equipment for the production of thin film solar cells. The solar cells are of CIGS technology and thin, light, flexible, discreet and with a minimal carbon footprint compared with other solar panels. The Company is currently in a phase of expansion and plans to continue expanding in the upcoming years. The demand for the Company's Swedish-made light weight solar panels is increasing, while the ability to deliver is limited by available production capacity. For example, during 2022 the sales of solar roofs increased by 22 per cent compared to 2021 but since the Company's production capacity does not yet match the demand for its products, delivery times are currently around three to nine months depending on type of panels and order volume which in turn limits the sales capacity for Midsummer. Consequently, the Company's sales of Midsummer WAVE and Midsummer BOLD was constrained during 2022 by the Company's limited production capacity.

The Company is expanding with a factory in Italy, where a large part of the production capacity in the Italian factory is already covered through framework agreements with three Italian companies corresponding to a volume of 15 MW solar cells annually. Further, the Company has signed non-binding letters of intent corresponding to more than 700 MW of solar cells, which can be compared with the Company's annual production capacity of 2 MW at the Swedish factory in Järfälla and the planned production capacity of 50 MW at the factory in Italy, which is being completed with a planned start of production in 2023. The Company therefore plans to further increase production capacity in Sweden by establishing a large-scale manufacturing facility in Sweden with a possible future production capacity of up to 200 MW. The Company's long-term goal is over 1 GW annual production capacity by the year 2030, which would require several new mega-factories around Europe. Such rapid and significant expansion will inevitably put stress on the financial condition of the Company as it currently do not have the capacity to produce sufficient volumes without significant additional investments being made, which Midsummer may not be able to make on terms favorable for the Company or at all. If the Company cannot obtain the funds necessary for investments to meet an increased demand of its products, there is a risk that the Company may not be able to serve all of its customers who thus might favor its competitors' products which in turn could have a negative effect on the Company's turnover and prospects.

Additionally, there is a risk that the co-operations pursuant to the abovementioned framework agreements and non-binding letters of intent, respectively, will not proceed as expected, that the terms for such co-operations could be adversely changed or that any of said co-operations could be terminated. For example, the abovementioned companies may not purchase products to expected quantities or at all which would have a material adverse effect on the Company's business, expansion plans and results of operations (see also the risk factor "*Dependence on co-operations*" below).

Long delivery times may also expose Midsummer to certain price risks since the Company's contracts and prices are based on the production costs as per the date of the contracts but payments from the customers are not made until delivery has been performed by Midsummer (see also the risk factor "*Credit and counterparty risks*" below).

Increased sales and delivery volumes would place high demands on, for example, the internal organization, the Company's ability to attract and keep qualified personnel, suppliers' abilities to maintain delivery reliability, and the Company's IT infrastructure. A sudden increase of demand could lead to problems related to securing delivery times and sufficient levels of quality. Additionally, the Company is, as described above, currently establishing a new product facility in Italy and may in the future also expand its business to other geographies. Expansion to new markets can carry risks related to, among other things, difficulties in recruiting and retaining the correct skills, establishing and maintaining customer relationships on new markets, achieving set growth and profitability targets, and maintaining financial precision and efficiency.

In light of the above, there is a risk that the Company's rapid growth for different reasons may cause Midsummer to not be able to fulfil its delivery undertakings sufficiently, which could result in deteriorating customer relationships, lower profitability and possibly penalty charges or cancelled orders. Further, in the shorter term the Company's planned expansion require liquidity to be able to finance such expansion. If the expansion requires more capital than envisaged and/or the liquidity available to the Company for such purpose would turn out not to be sufficient or available on acceptable terms for the Company, there is a risk that the expansion needs to be reduced or suspended. All of these events would risk having a material adverse effect on the Company's turnover, prospects, results of operations and financial condition.

Dependence on qualified personnel

To evolve as a company and continue producing high technological solar cells, the Company needs different skills and experiences and to that end its employees are a critical success factor. The Company is, accordingly, dependent on the continued work and performance of its key employees, senior executives and skilled employees. The aforementioned is particularly important in the expansion phase that the Company is currently undergoing, especially when establishing its business internationally. Most solar companies in Europe are re-sellers, selling solar panels produced in China. Midsummers has developed its own thin film technology, and end products with selling points which, based on the Company's assessment, are unique in comparison to its competitors. Therefore, within Midsummer's operations, the senior executives, product development and R&D personnel as well as technical staff are particularly important. To this background, any inability to employ, develop, engage and retain a sufficient number of skilled employees may limit the Company's ability to conduct operations. If employees who leave also take other skilled employees with them and/or move to Midsummer's competitors, such risk is exacerbated. These risks may be further accentuated if employment agreements with, for example, senior executives lack relevant or enforceable provisions regarding restrictions on competition, solicitation or confidentiality following the termination of employment. Should Midsummer fail to attract and retain employees with key skills, this may lead to future loss of income and lost skills, which may have a material adverse effect on the Company's competitiveness, profitability and prospects.

In order to offset competition on the employment market, the Company may need to increase its remuneration levels, which might have an adverse effect on the Company's results of operations. In 2022, salaries and other remuneration to employees amounted to TSEK 86,016. If Midsummer offers remuneration levels that are too low or otherwise not competitive, there is a risk that the employees will choose to terminate their employment, which could have an adverse effect on the Company's competitiveness, profitability and prospects.

Within Midsummer's operations, electrical installations and installations of solar panels high of the ground are inevitable. Such work elements are associated with risks for the employees' health and safety and potential incidents could lead to physical injuries, sick leave, disruptions in Midsummer's operations and potential fines or obligations to pay damages. Furthermore, incidents related to Midsummer's work environment and the employees' health and safety could damage Midsummer's reputation and adversely affect the Company's attractiveness as an employer.

Dependence on intermediate goods, technical components and raw material

The Company depends on a number of intermediate products, technical components and raw material for the production of solar cells. For example, in its production the Company uses certain key components like sputter power supplies, diodes and other vacuum and electrical components. From time to time when there is a boom in the semiconductor equipment market, components like diodes and other components can experience long lead times. These components are difficult to replace. Certain customized components are only available from a single supplier or a limited number of suppliers. If such suppliers cease or suspend production or supplies or otherwise fail to supply such components, there is a risk that Midsummer will be unable to obtain these components for a certain period of time, which would have a material negative impact on Midsummer's ability to manufacture a certain type or category of products.

Another example relates to the Company's sourcing of non-critical electrical components, where the Company at one time experienced that a sub-supplier relocated its factory and as a consequence caused unannounced delays in deliveries which in turn caused production halts and re-scheduling in the production of the Company's equipment production. Supply of intermediate goods, technical components and raw materials may also be limited by, amongst other things, container shortage, political decisions, natural disasters, military conflicts or other extraordinary situations.

As a consequence of any of the events exemplified above, situations may arise where certain materials become difficult to obtain or where shortage arise which may have the effect that products essential for the Company

cannot be delivered to the extent desired and the current levels of the Company's production and delivery times may therefore be difficult to maintain or cease completely. Further, if the availability of certain components or raw materials decrease there is a risk that the price of such component or raw material increase which in turn would lead to an increase of the production costs for the Company.

The degree to which risks relating to Midsummer's supply of intermediate goods, technical components and raw materials may affect the Company is uncertain and present material risks to the margin of the Company's sold products and its ability to deliver in the time and quality required by its customers. If risks such as those described above would materialize, the margin of the Company's sold products could decrease and it could ultimately result in penalty charges, cancelled orders and lost business opportunities for the Company.

Competition

The industry in which the Company operates is characterized by constant and rapid developments in technology, science and know-how, and there are several operators within the market of solar cells and production equipment who use similar or different types of technologies than the Company. For example, Perovskite tandem solar cells (where a layer of perovskite is placed on top of a Si-solar cell) have proven high efficiency even though it is still in laboratories. Some companies have also developed light weight solar panels based on fragile Si-solar cells. There is also ongoing development with building integrated photovoltaics (BIPV) where for example Tesla has launched a solar roof where the solar cell replaces traditional ceramic tiles. If the demand for light weight solar cells produced in Europe decreases in the market, for example in favor of Perovskite solar cells or Chinese silicon panels which are associated with lower costs, this could have a negative effect on the attractiveness and margins of the Company's products. There is a risk that the market proves to favor the current or future competitors of Midsummer. There is also a risk that new methods or concepts develop, which may receive more acceptance than those solutions offered by the Company. The future success of the Company will depend on the Company's ability to adjust to external factors and meet changes in demand from customers by adjusting offers and developing competitive technology and products. If the Company cannot keep up with its competitors' rapid developments in solar cells and technology of the type developed and produced by the Company it will have a material adverse effect on the value of the Company's products, product equipment, product processes, know-how and/or market position.

The Company operates in a market with several actors who are larger and therefore potentially financially stronger than the Company, which increases the risk for price pressure and similar actions which would make it increasingly difficult for the Company to gain market shares. The industry is undergoing strong growth and several companies are carrying out aggressive acquisitions to gain parts of the value chain, something that Midsummer may also need to do to defend and maintain a strategic market position. Further, a financially strong competitor may use price reductions with the purpose of quickly gaining market shares or to establish themselves on the market with similar products as the Company. Price competition is particularly likely within the solar cell sector, where technologies different to those marketed by the Company may prove to be more economical. Increasing competition and price pressure constitutes a material risk for Midsummer and could have a negative effect on its market shares and margin on sold products.

Macroeconomic and geopolitical risks

The Company operates internationally with customers mainly located in Sweden, but also in the EU and various locations in the rest of the world. Hence, Midsummer's business is affected by international, national and regional economic conditions. Market turbulence and downturns in the global economy can affect the financial condition of the Company's customers and suppliers and impact their ability to conduct business with the Company. This may occur due to, among other things, pandemics, acts of war, inflation, increased raw material prices, trade barriers, changes in international, national or regional legislations and natural disasters. The Company is also affected by the energy supply in Europe, which may remain unpredictable, and where the demand for the Company's products could be negatively affected should the gas and electricity prices decline.

The demand for Midsummer's products is partially driven by macroeconomic factors such as growth rate of the global and local economy, households' disposable incomes, inflation and interest rates. A negative development for example in Sweden would risk having a significant negative impact on the Company's turnover and profitability, e.g. if it affects the consumers' ability to extend their mortgage loans (which is a common financing source when consumers decide to install solar panels on their homes).

Due to its international presence, the Company is also exposed to risks related to geopolitical instability, a decrease in international cooperation, terrorism, military conflicts and social unrest. For example, the Russian invasion of Ukraine in February 2022, the ongoing war in Ukraine and the sanctions (for example restrictions on exports of

various items) imposed as a consequence thereof, could lead to unforeseeable consequences also outside the two directly involved countries and may significantly affect e.g. interest rates, inflation and exchange rates, limit the opportunities for sales, lead to lower growth and disruptions to the global economy, the financial markets and global trade. Continued or intensified military action and geopolitical tensions, as well as sanctions, could have an adverse effect on Midsummer's business, financial condition and results of operations to the extent these have an impact on the macroeconomic and geopolitical contexts in which Midsummer operates. Changes to government policies and regulations on industrial production, foreign investments, the environment, health and safety and taxes in countries where the Company operates are further examples on geopolitical events which may adversely impact the Company's operations.

The outbreak of pandemics, viruses or global diseases can have a major impact on the societies and markets where the Company operates or where the Company has suppliers, customers and/or co-operations. The Covid-19 pandemic affected the Company's ability to visit customers outside of Sweden's borders and since, for example, the Company's DUO machines are sold outside of Sweden, the lockdowns and other restrictions introduced in connection with the pandemic resulted in limited abilities for the Company to sell DUO machines at all. The travel restrictions also affected the Company because customers that had ordered DUO machines were not able to travel to Sweden to take part in the acceptance tests that the Company performs on all DUO machines before shipping. The future development of the Covid-19 situation remains uncertain and depends on the spread of the virus, the emergence of new strains and the response of local authorities and the global community, including in respect of the efficiency of vaccines. Accordingly, Covid-19 (or other potential pandemics, viruses or global diseases) present risks for Midsummer and, amongst other things, renewed lockdowns of societies, markets and/or communications could have a negative effect on Midsummer's possibilities to conduct its business operations and thereby its turnover and results of operations.

The degree to which macroeconomic and geopolitical risks may affect Midsummer is uncertain and present significant risks to Midsummer's ability to conduct its business operations, its continued growth, revenues and financial condition.

Dependence on suppliers

The Company utilizes a number of suppliers who are important to the Company's ability to produce products and production equipment in a sufficient quantity and quality, and with sufficient security of delivery. The main materials for the Company's solar panels are sourced from suppliers in Europe, the United States, China and Japan. To maintain profitability in each project and establish customer relationships, achieve sufficient delivery security and create an image of a stable supplier with the ability to deliver quality products, the Company depends on that ordered products are delivered and installed with sufficient reliability and quality. This is particularly important during Midsummer's ongoing phase of expansion. Should the suppliers fail to deliver and install ordered products, supply to competitors instead of the Company or if they are unable to deliver as a result of political decisions, lockdowns, acts of war or similar events, it could have a negative effect on the Company's ability to maintain delivery reliability and profitability for the products it sells. If any of these risks would materialize, it could have a material negative effect on the Company's results of operations and financial condition.

The ability for the Company's suppliers to continue to deliver satisfactorily during Midsummer's expansion is critical. If the Company's suppliers cannot deliver the required quantity or quality in a timely manner, there is a risk that the Company will be unable to meet the increased demand from its customers which could lead to that its customers will favor its competitor's products which in turn could have a negative effect on the Company's market shares, revenues and result of operations.

Midsummer is thus dependent on the performance of suppliers and their contractual commitments regarding quality, sales and delivery time and that they meet Midsummer's guidelines and other industry standards regarding, among other things, the environment, work environment, anti-corruption, human rights and business ethics. However, there is a risk that any of the Company's suppliers may experience financial difficulties, become insolvent or go bankrupt, or as a result of geopolitical factors or disasters fail in their sales efforts, not deliver on time or in accordance with the cost structure and quality that they have committed to, or otherwise not follow applicable guidelines or industry standards. Furthermore, Midsummer may be drawn into disputes or legal proceedings that arise in the course of its business and operations that relate to contractual issues, which can be costly and time-consuming, regardless of whether the claim is justified or not and even if the outcome would be in the Company's favor. If Midsummer fails in its assessment and evaluation of its suppliers, or if such actors cannot fulfill their commitments to Midsummer, there is a risk that this will have a material negative impact on Midsummer's reputation, business, results of operations and financial condition.

Dependence on co-operations

An integrated part of the Company's operations and business model is to co-operate with various parties within the production-, distribution-, and installation processes. Differences in organizational structure, corporate culture and/or leadership could lead to problems with integration of important co-operations. The conditions that work as a basis for the co-operations, such as set goals, committed market shares and the quality and performance of the products, may prove to be wrong. Loss of results may arise due to unpredicted legal, regulatory or contractual issues. Difficulties in realizing operational synergies or failure to maintain the Company's usual quality of delivery and service, could also harm Midsummer's reputation and lead to a decrease in the Company's results of operations. There is a risk that the parties the Company co-operates with do not fulfil their commitments or that their ability to fulfil their commitments in quality and delivery is limited by external factors. If any of the risks described above would materialize, it could have a negative effect on the Company's ability to successfully conduct its day-to-day business and maintain sufficient profitability.

The Company has, for example, entered into framework agreements with the Italian building material and roof manufacturing companies Medacciai, Unimetal and PugliAsfalti. Among other things, these agreements provide said companies with the opportunity to purchase in aggregate up to 15 MW solar cells per year for a period of five years, corresponding to nearly a third of the planned annual capacity of the Company's Italian factory. Another example is the non-binding letters of intent which the Company has signed with roof material producers and solar cell installers for the pre-sale of more than 700 MW solar cells. There is a risk that the co-operations pursuant to these framework agreements and non-binding letters of intent, respectively, (or any other binding or non-binding agreements Midsummer has entered into) will not proceed as expected, that the terms for such co-operations could be adversely changed or that any of said co-operations could be terminated. For example, the abovementioned companies may not purchase products to expected quantities or at all which, among other things, could cause a situation where the full production capacity of the Company's Italian factory is not being used. Should any of the abovementioned risks materialize, this would have a material adverse effect on the Company's business, expansion plans and results of operations.

Furthermore, according to the abovementioned framework agreements and non-binding letters of intent, respectively, Midsummer's counterparties will be responsible for sales and installation of the solar cells. Consequently, there is a risk that Midsummer's counterparties may not fulfill Midsummer's expectations on, for example, the quality regarding the installation of the solar cells or the quantity of sales in the various markets. This may cause damage to Midsummer's reputation, result in lost business opportunities for the Company and/or lead to disputes or legal proceedings that relate to contractual issues, which can be costly and time-consuming, regardless of whether a specific claim is justified or not and even if the outcome would be in the Company's favor.

The degree to which risks relating to Midsummer's various co-operations could affect the Company is uncertain present material risks to its prospects and expansion plans as well as its results of operations.

Financial risks relating to the Company

Financing and refinancing risks

The Company operates in an investment and capital intensive industry and is currently dependent on its ability to obtain external financing. Financing and refinancing risks include risks that the Company's capital needs become more difficult to meet and that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the debt owed by the Company, primarily the Notes, falls due and needs to be refinanced.

Nasdaq Stockholm decided on 24 February 2023 to assign the Midsummer share observation status on First North Premier Growth Market, mainly due to the fact that the Notes' original maturity date is 25 April 2023 and that the Company had then not presented details for refinancing of the Notes.¹ The Company has issued a notice of written procedure with a request to amend the Terms and Conditions of the Notes (the "**Request**"), including among other things an extension of the original Final Maturity Date (as defined in the Terms and Conditions of the Notes) with three years so that the new extended Final Maturity Date shall be 25 April 2026. There is a risk that the Noteholders will not resolve to approve the Request and thus that the Notes will need to be paid in full on the original maturity date (being 25 April 2023). Should the Company then be unable to pay, this could ultimately lead to the Company being forced to apply for company reorganization or bankruptcy.

Furthermore, the Company has to meet certain covenants under the Notes, for example a requirement of at least 20 per cent equity ratio, and a failure to meet any of the covenants could lead to the Company being forced to

¹ Nasdaq requires listed companies to continuously be able to demonstrate three months' working capital.

repay the relevant debt earlier than it has planned for and thus have a material adverse effect on the Company's cash flow and financial condition, and ultimately lead to the Company being forced to apply for company reorganization or bankruptcy.

The Company has had a number of years with negative results, particularly during its founding and build-up phase as well as during Covid-19. To this background and in light of the Company's ongoing phase of expansion, there is a risk that the Company in the future may need additional capital in order to be able to continue to conduct and develop the business at the pace and extent that is planned. Increased capital needs could lead to Midsummer carrying out new share issues, such as the rights issue of units of up to approximately SEK 277.6 million resolved upon by the Company's board of directors on 20 March 2023 (subject to the subsequent approval by a general meeting), which could dilute the shareholdings in Midsummer for existing shareholders and also risk having a negative effect on the price of Midsummer's shares or other securities. If the Company instead would meet its capital needs through debt financing, this could entail increased financing costs for the Company, for example due to interest rates. Furthermore, any failure to obtain additional financing at the right time may result in the Company having to postpone, curtail or terminate operations.

Access to additional financing and the Company's possibilities to refinance its existing debt is affected by a number of factors, such as restrictions and uncertainty on market conditions, the general availability of credit, and the Company's credit rating and credit capacity. Adverse economic conditions may furthermore impair the Company's ability to service its payment obligations and/or comply with debt covenants. As such, there is a risk that the Company is unable to obtain external financing at acceptable market terms when needed or at all. Ultimately, if the Company is unable to refinance existing financial indebtedness on the relevant due dates it may lead to its creditors taking action against it (for example initiating court proceedings, attachment or filing for bankruptcy for the Company), which in turn could have a negative effect on the Company's business and financial condition. Any of the abovementioned risks could have a material adverse effect on the Company's business, prospects, cash flow, financial condition and results of operations.

Currency risk

Currency risk is the risk that changes in exchange rates will adversely affect the Company's cash flow, income statement and balance sheet. The Company reports in SEK and in 2022 the majority of the Company's sales were made in SEK, with some sales in USD and EUR. However, as the Company increases its sales volume in the EU in the coming years, more of the sales will be made in EUR. Should EUR or USD weaken against SEK there is a risk that the reported sales of the Company (in SEK) would decrease if the Company is unable to make a corresponding increase in the price of its sold products. If such risk would materialize, it could have a negative effect on the Company's turnover and results of operations.

Also, a significant amount of the material costs and process costs are currently in EUR, which are recalculated to SEK on each payment day. Should EUR or USD strengthen towards SEK, this may result in a deterioration in profitability in SEK as costs for intermediate goods and products increase. If SEK weakens by 10 per cent against EUR, this could result in a cost increase of 4 per cent per sold solar panel and if SEK weakens by 10 per cent against USD a cost increase of 3 per cent per sold solar panel would occur. Should SEK weaken against both EUR and USD, the costs per sold solar panel would increase with 7 per cent.

In connection with the continued expansion of the Company and increased sales on other markets than the Swedish market, a larger portion of the sales and costs will be in other currencies than SEK. Fluctuations in foreign currency exchange rates could therefore have negative effect the Company's turnover and results of operations.

Credit and counterparty risks

Credit risk is the risk that a counterparty to a transaction will be unable or unwilling to fulfil its contractual financial obligations vis-à-vis the Company, resulting in a loss for the Company. The Company's credit risks refer mainly to accounts receivable. If the Company is not successful in managing its credit risks or if its counterparties do not pay their debts as they fall due, it may have a negative effect on the Company's liquidity. If for example any of the Company's counterparties becomes insolvent, there is a risk that the Company's demand for payment under the relevant contract is not fulfilled and if the Company in such case does not have sufficient liquidity to wait until another customer wants to buy the products in question, this could increase the Company's financing needs and also have a negative effect on the Company's results of operations and financial condition. As per 31 December 2022, Midsummer's credit exposure amounted to TSEK 16,041 and the carrying amount for the Company's largest customer was TSEK 3,050. Hence, credit risks could have a material adverse effect on Midsummer's liquidity, results of operations and financial condition.

The Company is also exposed to certain counterparty risks associated with the long lead times from the start of the Company's production of solar panels (which is the point in time the price is agreed with the customers) to delivery, installation and payment from its customers. The Company's production costs may for example turn out to be higher than expected and therefore not fully covered by the payment from the customers and the customers may, as another example, be unable or unwilling to fulfil its purchase of the produced solar panels.

Interest rate risks

Interest rate risk is the risk that changes in market interest rates will have a negative impact on the net profit, cash flow or the fair values of financial assets and liabilities. The Company uses external financing to finance its operation and as such, the Company is, directly and indirectly, exposed to fluctuations in interest rates. The Company's level of debt creates an exposure to interest rate risks where an increase in the interest rates on its debt obligations would lead to higher financing costs.

Currently, the vast majority of the Company's financial indebtedness relates to the Notes amounting to SEK 200 million which, prior to the amendments proposed in the Request, accrues with an interest rate corresponding to STIBOR 3 months plus 8.5 per cent *per annum*. If the Request is approved by a majority of the Noteholders, the current interest rate of the Notes will be replaced with a new interest rate corresponding to a fixed cash rate of 3 per cent *per annum* plus a fixed PIK interest of 10 per cent *per annum*, with effect from the first Interest Period falling after the Request has been approved. This means that the total redemption amount of the Notes will increase significantly over time therefore increasing the Noteholders' claims under the Notes and making it more difficult for the Company to refinance (see also the risk factor "*Credit risk in relation to the Company*" below).

Legal and regulatory risks relating to the Company

Statutes, subsidies and governmental policies

The Company is affected by current statutes, subsidies and policies, particularly different forms of policy tools that benefit investments in "green energy". Solar energy may be subject to various aids or subsidies and future changes in aid, tax reliefs and other forms of policy tools designed to direct demand to other energy sources than solar energy, or a reduction of current actions favoring solar energy, may have negative effect on the Company's development by losing competitiveness and experiencing a reduced willingness to invest in the Company.

Other types of technologies or methods than those marketed by the Company and its partners could be subject to aid or subsidies to a greater extent than those provided to Midsummer. For example, different types of aid and subsidies may be granted to a greater extent to producers of European silicon panels than to Midsummer, and potential aid and subsidies may furthermore be subject to counter-financing requirements or requirements relating to the size or other measures of companies' balance sheets which may favor Midsummer's competitors. This may negatively affect the Company's expansion plans. Additionally, the use of solar panels may be limited by statutes prohibiting solar panels on roofs e.g. for fire protection reasons or as a consequence of authorities denying building permits for consumers who seek to place solar cells on their roofs. Changes in statutes, subsidies and governmental policies may have an adverse effect on the demand for the Company's products and may also favor the Company's competitors vis-à-vis the Company, both of which would risk having a negative effect on the Company's business, prospects and results of operations.

The Italian Agency for Inward Investment and Economic Development, Invitalia, decided to grant the Company startup support in order to commence large-scale production of solar roofs in Italy. The support is paid out retrospectively after the production equipment has been delivered to the factory and the project costs have been reported to the Italian authority. Consequently, there is a risk that the payments will be delayed and if such risk would materialize, this would have a negative effect on the Company's cash flow.

Trade tariffs, custom duties and trade barriers

The Company is affected by current trade tariffs, custom duties and trade barriers. Midsummer produces the vast majority of its products in Europe which means custom duties are paid for all raw materials from suppliers outside the EU which result in a negative effect on the price and/or availability of critical supplies and products necessary for the Company's and its customers' business. Chinese silicon-based solar panels are an example of products which can be imported to the EU custom free while the raw material and components necessary for manufacturing solar panels are subject to custom duties, which is negative for the Company's competitiveness vis-à-vis competitors who's operations entail import of manufactured solar panels. New or amended rules regarding current trade tariffs, custom duties and trade barriers may affect the competitive landscape Midsummer operates within, lead to increased costs for Midsummer and adversely affect the Company's business.

Product liability and guarantees

The Company's products are subject to product and warranty liabilities. Suppliers and assemblers generally have limited obligations to compensate the Company for faulty deliveries or installed products. Compensation claims may be directed towards the Company by its customers and by persons who suffer harm in production or usage of any of the Company's products. For example, there have been incidents with silicon panels from other manufacturers where the panels have caught fire. Since Midsummer installs its solar cells and uses its own employees for these work elements, customers could direct product liability claims towards Midsummer in the event of incorrect electrical installations if the solar cells were to catch fire. Midsummer's business includes both producing solar cells and performing solar cell installations at its customers. In connection with this, the Company provides various warranties e.g. a performance warranty that guarantees 80 per cent production capacity during 25 years. The warranty period is based on several tests carried out in connection with the certification, but since no solar cell currently installed outdoors has yet been in use for such a long period of time there is unavoidably an inherent uncertainty as to whether such warranty will be fulfilled in all cases. There is a risk that claims regarding product liability and guarantees are directed towards the Company and to the extent such claims are not covered by the Company's insurance or pursuant to which the Company cannot in turn direct claims towards third parties, this could have a negative effect on the Company's results of operations and financial condition.

Risks related to labels and certifications

The Company's products are subject to mandatory and voluntary labelling and certification. The Company's solar panels are for example certified by TÜV according to IEC 61646 and IEC 61730, and by TÜV according to UL1703 for the US and Australia, and are CE-marked. In addition, different standards of industry and certificates must be complied with. The Company must therefore establish technical documentation of the products and guarantee that the products comply with the necessary requirements to receive the relevant certificates and labels. If the Company would fail to comply with the requirements to obtain or maintain the relevant labels or certificates for its products, it could restrict and/or prohibit the Company's ability to sell its products on certain markets and/or expose the Company to potential liability for sale of unlabeled or uncertified products, which in turn could have a negative effect on its business, results of operations and financial condition, especially if frequent and/or extensive claims for damages are made against the Company.

New certifications appear frequently and from time to time various parties within Midsummer's industry require certifications, which are otherwise not legally mandatory, for example as a prerequisite for entering into a partnership. Since obtaining new certifications may be associated with high costs, a development entailing more certifications could have a negative effect on the Company's results of operations.

Risks related to intellectual property rights protection and know-how

The Company's intellectual property is important to its business. It owns patents and trademarks and in order to secure the return on the resources that the Company puts into research and development, the Company aims to protect its technical innovations. There is a risk that the Company cannot protect the patents, trademarks and other intellectual property rights obtained or that filed applications may not be granted, which in turn could adversely affect the Company's business and results of operations.

There is a risk that Midsummer may be accused to have infringed the intellectual property rights belonging to other persons. Infringement disputes can, regardless of whether or not a court may find that an infringement has been committed by the Company, be costly and time-consuming and thereby distract the management's attention from the daily business, harm Midsummer's reputation and have a negative effect on the Company's financial condition.

What distinguishes the Company's products from several others is that a not insignificant part of the Company's know-how is not covered by intellectual property protection. The Company has chosen a strategy of not applying for new patents as this risks revealing important information about the Company's processes and technology. Therefore, the Company has chosen not to share essential and important information about the Company's products and processes with customers or partners. However, there is a risk that know-how corresponding to the Company's know-how is developed independently by a third party and used in competing businesses. There is to some extent also a risk that such information is disclosed to outsiders or used by former employees or hired consultants in businesses that compete with the Company's. This could affect the Company's operations by making the Company's products ineffective, more expensive or obsolete compared to those of other actors. Such development could result in reduced sales of both production equipment and solar panels, which would primarily affect turnover and results of operations negatively, but also the Company's ability to conduct its business successfully.

EU General Data Protection Regulation

The Company processes personal data within its ordinary course of business, for example in relation to employees, customers, suppliers and co-operators. Accordingly, Midsummer is subject to data protection laws, rules and regulations adopted to protect the individual's personal integrity. The GDPR² strict requirements for companies that process personal data and sanctions with administrative fines that can amount to the highest of EUR 20 million or 4 per cent of the Company's annual global turnover. To comply with the GDPR and other legislation governing the handling of personal data, the Company has had to allocate resources and may have to incur additional expenses and resources in the future to establish systems, IT controls and procedures to support compliance with applicable data protection legislation, especially in light of the Company's ongoing phase of expansion in production capacity and sales as well as expansion to new markets. The implementation of, and various examples of companies' non-compliance with, the GDPR has also attracted significant attention from legislators, the media and investors and, for example, the Swedish Authority for Privacy Protection has become more active in its supervision. Violations of the GDPR or other data protection legislation may result in the Company having to pay damages to third parties and significant fines as well as damage Midsummer's reputation, all of which would risk having a material adverse effect on Midsummer's business and results of operations.

Tax related risks

The Company has an accumulated tax deficit that is not attributed any value in the Company's accounts. A change of ownership in Midsummer could affect the possibility to use this deficit, in whole or in part. Such a possible change of ownership, and the tax legislation applicable in such situation, should be taken into account by the Company. These rules should also be taken into account in the Company's tax return to avoid an incorrect use of the deficit. Even if the deficit is not attributed any value in Midsummer's accounts, there is a risk that future amendments to the tax legislation could affect the possibility to use the accumulated tax deficit of the Company.

Midsummer together with its Italian subsidiary Midsummer Italia, works to set market prices for the products that Midsummer transfers to the subsidiary and to ensure that the interest paid for the loan issued from Midsummer to the subsidiary is also market-based. There is a risk that Midsummer's understanding and interpretation of tax legislation, tax agreements and other regulations is not correct in all respects. There is also a risk that tax authorities in the relevant jurisdictions make assessments and make decisions that deviate from Midsummer's understanding and interpretation of the aforementioned laws, tax treaties and other regulations, which risks having a negative impact on the Company's tax costs and effective tax rate. There is thus a risk that changed laws, tax treaties and other regulations, which may apply retroactively, could have a significant negative impact on Midsummer's results of operations.

Risks relating to the Notes and the Request

The Notes are unsecured

The Notes constitute unsecured obligations of the Company. This means that in the event of the Company's liquidation, company reorganisation, bankruptcy or other insolvency proceedings the Noteholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been fully paid. If any subsidiary of the Company incur debt, the right to payment under the Notes will be structurally subordinated to the right of payment relating to debt incurred by subsidiaries of the Company, which could have a negative impact on the Noteholders' recovery under the Notes. Further, following prioritised creditors receiving payment in full, the Noteholders will have an unsecured claim against the Company for the amounts due under or in respect of the Notes, which means that the Noteholders normally would receive payment *pro rata* with other unsecured creditors. Every investor should be aware that by agreeing to extend the final maturity date of the Notes, there is a risk that a Noteholder could lose the entire, or parts of, its investment in the event of the Company's liquidation, bankruptcy or company reorganization.

Credit risk in relation to the Company

The Noteholder bear a credit risk in relation to the Company. Payments to the Noteholders is therefore dependent on the Company's ability to meet its payment obligations pursuant to the Terms and Conditions of the Notes, which in turn depends on the Group's business and its access to capital. There is a risk that the Company will not have sufficient funds for repayment of the Notes, for example in the event of a mandatory repurchase of some or all of the Notes or upon the extended maturity date.

² The European Union's regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

Further, the proposed amendments to the Terms and Conditions of the Notes entails that the redemption price at maturity is set to 108 per cent of the nominal amount and that the amount payable by the Company upon a voluntary early redemption will increase up to the redemption price at maturity. In addition and as further described in the risk factor “*Interest rate structure of the Notes*” below, a large part of the interest under the Notes will be a PIK interest which will be capitalized annually. Combined, this means that the total redemption amount of the Notes will increase significantly over time therefore increasing the Noteholders’ claims under the Notes and making it more difficult for the Company to refinance. If the Company fails to redeem or repurchase the Notes, this could have an adverse effect on the Company, for example if it causes insolvency or constitutes an Event of Default under the Terms and Conditions of the Notes, which would also adversely affect any Noteholder and, in the event of a mandatory redemption, the Notes.

Furthermore, an increase in credit risk is likely to lead the market to demand a higher risk premium for instruments such as the Notes, which could have a negative impact on the value of the Notes. If the financial situation of the Company deteriorates, it is also likely to affect the Company’s ability to obtain debt financing in connection with the maturity of the Notes. There is a risk that this could have a negative impact on the value of the Notes.

Interest rate structure of the Notes

The proposed amendments to the Terms and Conditions of the Notes entail that the current interest structure is replaced so that the Notes shall, from and including the first Interest Period falling after the Request has been approved, be a fixed cash interest of 3 per cent *per annum* and a fixed PIK interest of 10 per cent *per annum* (which shall be capitalized annually). As such, Noteholders will only receive a limited part of the total interest in cash and the residual PIK interest will only be payable in connection with a redemption. Further, following an approval of the proposed amendments to the Terms and Conditions of the Notes, the Notes will carry a fixed interest rate rather than a floating rate referencing an underlying index. As such, if market interest rates rise then the income payable on the Notes might become less attractive which would adversely affect the value of the Notes.

Acceleration of the Notes in case of non-consummation of the share issue

The proposed amendments to the Terms and Conditions of the Notes include a right for the requisite majority of Noteholders to accelerate and declare all of the outstanding Notes due and payable in case the contemplated share issue with preferential rights for the Company’s existing shareholders has not raised gross proceeds of at least SEK 150,000,000 by the end of August 2023. If the Company is unable to raise the aforementioned amount in connection with the share issue, all Notes can be declared due and payable and there is a risk that the Company will not have the necessary funds to repay the Notes at such time. In such scenario, the consequence could be that the Company is required to initiate certain formal or informal restructuring measures (which could include company reorganisation or bankruptcy). In case of e.g. company reorganisation or bankruptcy of the Company, the potential recovery for Noteholders of any of their claims under the Notes is uncertain and could be very limited or none.

Risks related to early redemption and partial repayment of the Notes

Under the proposed amended Terms and Conditions of the Notes, the Company has reserved the possibility to redeem all outstanding Notes before the final maturity date. If the Notes are redeemed before the final maturity date, the Noteholders have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the amended Terms and Conditions of the Notes. The premium payable in connection with an early redemption will increase from the original maturity date until the extended maturity date. However, there is a risk that the market value of the Notes is higher than the early redemption amount (including the premium) and that it may not be possible for Noteholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Notes and may only be able to do so at a significantly lower rate. In addition, the Company has reserved the possibility to a partial repayment of the Notes at any time. A partial redemption may affect the liquidity of the Notes and may have a negative impact on the market value of the Notes which would result in Noteholders’ difficulties to sell the Notes (at all or at reasonable terms).

Risks relating to trading the Notes on a regulated market

The Company cannot assure that a liquid trading of the Notes will be maintained. The Notes are intended to continue to be admitted to trading on Nasdaq Stockholm, or, if such admission to trading is not possible to maintain, the Company shall obtain an admission to trading on another regulated market (which would require a new listing prospectus being approved by a relevant supervisory authority and/or stock exchange). If the Company fails to maintain an admission to trading, investors will not be able to hold the Notes on an investment savings account (Sw. *ISK* or *IS-konto*), thus affecting such investor’s tax situation, and/or the Notes may not be a suitable investment for some investor e.g. due to that they are not compatible with the investment objectives of the relevant

investor. Even if the Notes remain admitted to trading on a regulated market, there is a risk that demand for and trading in the Notes will not develop or, if developed, is not sustained.

Each of the above, alone or in combination, may result in a Noteholder being unable to sell its Note(s) at a desired time (or at all) or at a yield which is comparable to similar investments that have an existing and functioning or secondary market. This means that a Noteholder may be exposed to the risks related to the Company until the Notes reach the maturity date and the lack of liquidity in the market may have a negative impact on the market value of the Notes.
