

# NEPTUNIA

**Neptunia Invest AB (publ)**

relating to the listing of

SEK 50,000,000 Senior Secured Floating Rate Bonds due 2024

ISIN: SE0013888120

**Sole Bookrunner**



**Prospectus dated 28 November 2022 and valid up until 28 November 2023. The Issuer's obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid**

## IMPORTANT NOTICE:

This prospectus (the "**Prospectus**") has been prepared by Neptunia Invest AB (publ) (the "**Issuer**", or the "**Company**" or together with its direct and indirect subsidiaries unless otherwise indicated by the context, the "**Group**"), a public limited liability company incorporated in Sweden, having its headquarters located at the address, Grev Turegatan 19, 114 38 Stockholm, with reg. no. 556986-5453, in relation to the application for the listing of the senior secured subsequent floating rate bonds denominated in SEK and amounting to SEK 50,000,000 (the "**Second Subsequent Bonds**" or the "**Bonds**") issued on 4 October 2022 under the Issuer's existing framework of SEK 600,000,000 with ISIN SE0013888120 on the corporate bond list on NASDAQ Stockholm Aktiebolag, reg. no. 556420-8394 ("**Nasdaq Stockholm**"). The Issuer has issued initial bonds on 8 July 2020 in an aggregate amount of SEK 300,000,000 (the "**Initial Bonds**"), and following the Initial Bonds the Issuer issued on 4 October 2021 in an aggregated amount of SEK 200,000,000 (the "**First Subsequent Bonds**"). Arctic Securities AS, filial Sverige, with reg. no. 516408-5366, has acted as sole bookrunner in connection with the issue of the Second Subsequent Bonds (the "**Sole Bookrunner**"). This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council (the "**Regulation**") and the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 and repealing Commission Regulation (EC) No 809/2004.

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

Unless otherwise stated or required by context, terms defined in the terms and conditions originally dated and as amended and restated by amendment agreement dated 26 September 2021 for the Bonds beginning on page 31 (the "**Terms and Conditions**") shall have the same meaning when used in this Prospectus.

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

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

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

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

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

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

Interest payable on the Bonds will be calculated by reference to STIBOR. As at the date of this Prospectus, the administrator of STIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011 (the "**Benchmark Regulation**").

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

**TABLE OF CONTENTS**

<b>RISK FACTORS</b>	<b>4</b>
<b>THE BONDS IN BRIEF</b>	<b>14</b>
<b>STATEMENT OF RESPONSIBILITY</b>	<b>19</b>
<b>DESCRIPTION OF MATERIAL AGREEMENTS</b>	<b>20</b>
<b>DESCRIPTION OF THE GROUP</b>	<b>21</b>
<b>MANAGEMENT</b>	<b>24</b>
<b>HISTORICAL FINANCIAL INFORMATION</b>	<b>26</b>
<b>OTHER INFORMATION</b>	<b>28</b>
<b>TERMS AND CONDITIONS OF THE BONDS</b>	<b>30</b>
<b>ADDRESSES</b>	<b>73</b>

## RISK FACTORS

*Risk factors deemed to be of importance for Neptunia Invest AB (publ), reg. no. 556986-5453 (the "Issuer"), and its subsidiaries (together with the Issuer the "Group" and each a "Group Company"), the Group's business and future development and risks relating to the Issuer's senior secured floating rate callable bond issue with ISIN SE0013888120 (the "Bonds") are described below. Unless defined otherwise in these risk factors, defined terms in these risk factors shall have the same meaning as in the terms and conditions of the Bonds originally dated 2 July 2020 (as amended from time to time, and most recently on 26 September 2021) and entered into between the Issuer and the Security Agent (the "Terms and Conditions"). The risk factors presented below are categorized as "RISKS RELATING TO THE GROUP" or "RISKS RELATING TO THE BONDS" on the basis of whether they pertain to the Group or to the Bonds. The materiality of the risk factors is disclosed by the use of a qualitative ordinal scale of minor, moderate or high. The assessment of the materiality of the risk factors have been made by the Issuer and is based on the probability of their occurrence and the expected magnitude of their negative impact.*

### RISK RELATING TO THE GROUP

#### Risk relating to the Issuer

##### Issuer's dependence on other companies in the Group

The Issuer is an investment company and holds no significant assets other than the ownership in its subsidiaries, shares and preference shares in Slättö Core Plus AB and Slättö Value Add I AB (which are subject to customary shareholder agreement provisions for investments in alternative investment funds) and shares and preference shares in these two companies underlying holding companies (jointly the "AIF Investments") and its minority shareholdings. The Issuer therefore depends on its subsidiaries, the AIF Investments and minority shareholdings availability of cash and their legal ability to pay dividends, which may from time to time be restricted by corporate restrictions and law. The AIF Investments and Slättö Förvaltning AB ("Slättö") (of which the Issuer owns 70 per cent. of the issued shares as of the date of this Prospectus) represent a majority of the cash generating parts of the Group's cash flow, with annual recurring cash flow from the AIF Investments of approximately SEK 19,000,000 as per the audited consolidated financial statements for the financial year ended 31 December 2021 (the "Financial Statements"). The dependency on other companies in the Group presents a moderate risk to the Issuer and may have a material adverse effect on the Issuer's financial condition and may impact the Issuer's ability to repay the Bonds.

##### Macroeconomic factors

The Issuer is an investment company and has no operations or any assets other than the ownership in its subsidiaries, the AIF Investments and its minority shareholdings. From a balance sheet perspective, the Issuer's assets, as per the unaudited consolidated quarterly financial statements for the period ended 30 June 2022 (the "Quarterly Financial Statements"), are distributed as follows; 35 per cent. consists of Issuer's holding in Slättö Förvaltning, 19 per cent. consists of Issuer's holding in SIBS, 17 per cent. consists of investments in the AIF Investments and 14 per cent. consists of Issuer's holdings in MW Group AB ("MW") (of which the Issuer owns 93 per cent. of the issued shares as of

the date of this Prospectus) and 9 per cent. in other venture capital investments. As an investment company with a diversified portfolio, the Issuer is exposed to macroeconomic factors in general and property related macroeconomic factors in particular.

The real estate market is to a large extent affected by macroeconomic factors such as, *inter alia*, the general economic development, growth, employment trends, level of production of new premises and residential properties, changes in infrastructure, population growth, inflation and interest rate levels.

If one or more of these factors would have a negative development, this could have a material negative impact on the Group's operations, earnings and financial position.

#### *The property sector*

Market disruption in the real estate market, and mainly within property development and housing, light industry and logistic and community property, in which the Group is active, by way of the alternative investment funds managed by Slättö (the "AIFs") and the Issuer's AIF Investments, and an economic downturn in the global market as a whole, as well as a deterioration in the global economy, decreased liquidity in the Swedish market for residential properties or decreased demand for the AIFs' property projects and services may have a material negative effect on, and presents a moderate risk to, the face value of Issuer's investments, Issuer's ability to receive dividends from the AIF Investments and the AIFs' ability to pay management fees to Slättö, which in turn affects Issuer's possibility to receive profit from the AIF Investments, Slättö and ultimately affecting Issuer's ability to pay interest payments relating to the Bonds.

#### *The defence, security and heavy industry sector*

MW represents 14 per cent. of Issuer's total assets and is a staffing and consultancy company, focused on staffing within the defence, security and heavy industry, employing active and non-active personnel, including reservists, from the armed forces. At the date of this Prospectus, MW mainly provides its services in Sweden, Finland, Denmark and Norway.

The defence, security and heavy industry sectors are cyclical and subject to the above-mentioned macroeconomic factors. A downturn in the global market as a whole may have a material negative effect on MW if the industrial sector's need for staffing and consultancy services and/or failure by MW to position itself in the cycles, despite using mitigating strategies such as using long term contracts, may affect MW's costs and revenue in case MW's clients introduces saving schemes and MW is increasing its staffing ahead of potential projects, ultimately affecting MW's financial position, earnings and results of operations, presenting a moderate risk in relation to the Groups operations.

#### *Investment climate*

Macroeconomic factors, as mentioned above, affect the climate for investments and investors' appetite for risk. The core business of Slättö is to provide management services to AIFs and in order to maintain and expand its business, Slättö is dependent on being able to attract investors to invest in new AIFs established by the Group. A decline in the general economic climate as well as in investors risk appetite, may cause investors to avoid alternative investments forms and seek to invest in more tradition assets, thus affecting Slättö's future operations and ability to earn revenue for the Group, posing a moderate risk to the Issuer.

#### **Coronavirus disease (COVID-19) risks**

The 2019 Coronavirus ("**COVID-19**") outbreak led to governmental shutdowns of cities, borders and companies to close business operations. These restrictions have had, and potential further restrictions following future waves of COVID-19 and/or other pandemic diseases may have, an adverse effect on the market conditions and may lead to a negative macro-economic development. A protracted low growth or economic recession may adversely affect the demand for the Group's business. The results of the Group may be affected by significant economic disruption and changes in the general market conditions, and there is a risk that the Group will not be able to adapt its business to a change in demand.

The risk level of the business environment varies in the Group's different markets. For example, the value of the underlying assets of the AIFs managed by Slättö was been adversely affected by the economic uncertainty caused by COVID-19. In addition to this, the Groups consultancy operations was been affected due to mandatory and voluntary lock-downs and quarantines, increasing the number of people working from home. This have had, and may continue to have in the future if additional waves of COVID-19 and/or other pandemic diseases, a negative impact on the demand for MW's services, especially relating to security services and arrangements, and ultimately lead to a decline in revenue. Further, the funds managed by Slättö operate within the real estate market which did also experienced volatility due to COVID-19. Future additional waves of COVID-19 and/or other pandemic diseases may lead to difficulties, such as delays, when acquiring new properties or contracts, selling or leasing existing properties and closing of the AIFs. Any of these factors may have a material adverse effect on the Group's business, financial condition and results of operations and presents a moderate risk to the Issuer.

#### **Refinancing risk**

The Issuer has incurred debt under an overdraft provided by a bank. Other than that, the Issuer has no other external financing and its total liabilities (including the Bonds outstanding on the date of this Prospectus) as per the Quarterly Financial Statements amounted to approximately SEK 539,700,000. Net interest-bearing debt as per the Quarterly Financial Statements amounted to approximately SEK 500,000,000. The majority of the debt falls due in 2024 as the Bonds mature. In connection with the Bonds maturing, the Issuer will need to refinance the Bonds with other external financing. The Issuer's ability to successfully refinance the Bonds depends on, among other things, the conditions of the debt capital markets and the Group's financial condition at that time. Should the Issuer be unable to refinance its debt obligations on favourable terms, or at all, it would have a material adverse effect on the Bondholders ability to receive payment in full and this presents a moderate risk to the Issuer.

#### **Key persons**

The Group's future development depends largely on the skills, experience and commitment of its key persons which at the date of this Prospectus mainly comprise the Issuer's board members. These persons make the strategic decisions for the Group and the Group companies, including the Issuer's minority investments. It is these persons who have the comprehensive knowledge of the Group and the relevant industries of the Group being; property development, financial development and staffing and consultancy services. Therefore, it is important for the Group's future business activities and development that it is able to retain these persons. If the Group should become unable to retain or recruit such persons, this would present a moderate risk to that group that would adversely impact the Group's current and future operations ultimately affecting the Group's business prospects and financial position.

#### **Risk relating to Slättö and property investments**

## Property risk

Slättö's business mainly revolves around providing management services, such as transaction services, finance services and other day-to-day administrative services, to four active AIFs. The Issuer has on the date of this Prospectus invested capital in the AIF Investments and is therefore exposed to management risk, as the majority owner of Slättö and property risk as an investor.

The AIFs' operations involve owning and managing residential properties, letting premises for residential and commercial purposes, acquiring and divesting properties, seeking project development initiatives, developing properties and converting industrial properties into residential properties. Returns from the properties will largely depend upon, *inter alia*, the respective AIF's ability to develop the properties, rental income, financial costs, availability of venture capital, the costs and expenses incurred in relation to the asset management, maintenance and property management as well as on fluctuations in the market value of the properties.

Rental income, the development and the market value of the properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes of interest rates. Both property value and the Group's ability to enter into lease agreements with tenants may also be affected by competition from other property owners, or the perceptions of prospective buyers or the attractiveness, convenience and safety of the properties. If the Group experiences a decrease in its rental income, the market value of the properties, a decrease in available venture capital from investors or unexpected costs relating to the development of the properties, this may have an adverse effect on the AIF Investments ability to pay dividends to the Issuer, the AIF's ability to pay management fees to Slättö and the value of the participations in the AIF Investments. This presents a moderate risk to the Issuer as these factors may affect the Issuers ability to pay interest on the Bonds and redeem the Bonds.

## Project risk

Part of the respective AIF's strategy is to develop properties and each AIF has different exposure to development risk. In respect of the AIF Slättö Value Add I AB, approximately 87 per cent. of its balance sheet (as of 30 June 2022) comprises of project properties, whereas the other three AIFs' balance sheets contain a lower share of project properties. The AIFs have acquired properties which the AIFs are in various stages of the process of developing into residential or industrial properties as well as properties for social and community services. Such production involves, *inter alia*, acquisition of properties, processes of adopting new zoning plans allowing the construction of buildings for the above-mentioned purposes, potential environmental remediation, procurement of building permits and other necessary government approvals, procurement of the construction contract, eviction of current tenants, the completion of the constructions, etc. Property development projects are always subject to significant risks and the acquisition of the expected value depends upon the successful implementation of the property development projects. There is a risk that property development projects are delayed for various reasons or that the cost of the property development projects may overrun the estimated budget. Further, such projects may be aborted or become more expensive which will affect the results of operations of the AIFs, which may have a material adverse effect on the AIFs' ability to pay management fees to Slättö, and the value of the participations in the AIF Investments, resulting in less profits than what is estimated by the Issuer. This presents a moderate risk to the Issuer as these factors may affect the Issuers ability to pay interest on the Bonds and redeem the Bonds.

## Risks related to the valuation of properties

The value of the properties is affected by several factors, such as supply and demand, vacancy rate, rental levels and operational costs. Further the value of properties tends to correlate with interest fluctuations. If interest rates go down the value of properties tend to increase and if interest rates go up the value of properties tend to decrease.

The Financial Statements contains a sensitivity analysis in respect of the value of the Group's rental properties, estimating (i) that an increase in the yield of the properties by 0.25 per cent. would affect the Group's underlying property value negatively by SEK 250,100,000 and a decrease of 0.25 per cent. would affect positively by SEK 287,000,000 (ii) an increase in rental income by five per cent. would affect the Group's underlying property value positively by SEK 274,900,000 and a decrease of five per cent. would affect the Group's underlying property value negatively by SEK 277,900,000 (iii) an increase in costs of operations by five per cent. would affect the Group's underlying property value negatively by SEK 42,000,000 and a decrease of five per cent. would affect the Group's underlying property value positively by SEK 41,000,000 and (iv) an increase in vacancy levels by two per cent. would affect the Group's underlying property value negatively by SEK 151,000,000 and a decrease of two per cent. would affect the Group's underlying property value positively by SEK 96,000,000. Hence, the value of the properties could deteriorate, which may impact the value of the AIF Investments and poses a moderate risk to the Issuer's possibility to repay the Bonds.

#### **Borrowing by the Group and interest risk**

The Issuer and its subsidiaries may in compliance with the limits set out in the Terms and Conditions incur further financial indebtedness to finance its business operations. Such arrangements may generate future costs which may be higher than the gains produced by the investments made by the Group. Borrowing money to make investments will increase the Group's exposure to the loss of capital and higher interest expenses. Further, the Group is exposed to changes in interest rates through its financing agreements that carry floating rates of interest. The interest rates are affected by a number of factors, including but not limited to the interest rate policies of governments and central banks. An increase in interest rates, poses a moderate risk to the Group and would entail an increase in the Group's interest obligations, which will have an adverse effect the Groups' financial position, earnings and results, which may impact the Issuer's ability to repay the Bonds.

#### **Regulatory risk**

On the date of this Prospectus, Slättö's operations are subject to a license requirement as an alternative investment fund manager and Slättö's operations are therefore subject to extensive regulatory compliance requirements. If Slättö or the Group in the future would apply for other financial licenses or permits this would increase the level of regulation applicable to Slättö's and the Group's operations. Further, if new regulations would be imposed making investing in AIFs more difficult, there is a risk that it will have an adverse effect on Slättö's ability to conduct its business in its current form, ultimately affecting its results of operations and prospects. Further, a volatile economic environment has resulted in greater focus on regulation and there has been an increase in the level of scrutiny placed upon investment offers and non-traditional investments as investments in AIFs. In addition, ongoing regulatory changes are influenced by investor protection aspects which may impose stricter obligations on Slättö. Modifications to existing legislation, regulation, guidance, codes of conduct, government policies and/or their respective interpretations and/or new legislative and/or regulatory initiatives may affect the industry and markets in which Slättö and the Group operates. The Group's financial performance could be negatively and adversely affected should unforeseen events relating to regulatory risks arise in the future in relation to, for example, the Group's current product range and activities, the sales and pricing of its products, its profitability, solvency and capital



requirements and such events could also give rise to increased costs of compliance, posing a minor risk to the Group.

### **Anti-money laundering**

The Group is subject to anti-money laundering laws and related compliance obligations. The Group has an anti-money laundering policy and procedures in place for the Group which the Group applies in all countries of operation. However, the anti-money laundering policy and procedures may not prevent all possible breaches of law. If the Group is not in compliance with relevant anti-money laundering laws, the Group may be subject to criminal and civil penalties and other remedial measures. Any penalties, remedial measures or investigations into any potential violations of anti-money laundering laws could harm the Group's reputation and have a material adverse effect on the Group's business, results of operations and prospects, thus presenting a minor risk to the Group.

### **Risk relating to investments**

#### **Risks relating to minority shareholdings and venture capital**

In addition to the Issuer's holdings in MW Group and Slättö as well as the underlying AIFs controlled by Slättö, the Issuer invests in other companies, in accordance with its finance policy, to acquire minority shareholdings in companies active in the sectors; property, finance, defence and security. Its current minority investments are in property, property technology and financial technology companies. The Issuer typically takes no active role in the companies in which it has minority shareholding, but may from time to time accept a board position and has done so for one of its holdings, SIBS AB. Not taking an active role in the companies which the Issuer has minority shareholding in could result in adverse developments of these investments. Further, the value of the minority shareholdings may deteriorate over time and the businesses may prove unsuccessful which will adversely affect the Group's balance sheet. In addition, the shares or participations purchased as part of these investments are generally not admitted to trading on a regulated or unregulated market, and a divestment of such shares could prove difficult or impossible, should the Issuer wish to divest. These minority shareholdings are generally not of a nature that generates cash flow on a short-term basis but may in the future, thus posing a moderate, considering the size of such investments in relation the Group's overall business, risk to the Issuer's ability to make interest payments on the Bonds.

#### **Risks relating to joint ventures**

The Group, through Slättö's fund, Slättö Value Add II AB, has entered into a joint venture arrangement with SIBS AB, in which the parties cooperates with regard to new construction projects. There is a risk that the joint venture partners disagree on important matters, including the funding of the company. A disagreement or deadlock regarding the management, operations or development of the joint venture, or a breach by SIBS AB of any material provisions in the joint venture agreement could adversely affect the Issuer's operations, delays, net sales, earnings and financial position.

The Group may enter into similar arrangements in the future in order to pursue additional opportunities, which may be burdensome or impose additional material obligations on the Group.

### **Risk relating to MW**

#### **Dependency on employees**

MW provides staffing and consultancy services to the defence, security and heavy industry sector and its services are often utilized by companies providing societies with functions of public importance (i.e. water, electricity and broadband). Further, MW only employs personnel who have served in the armed forces and is thus dependent on its employees to provide staffing to its clients and to provide its consultancy services. As MW only employs personnel with a military background, MW is dependent on national recruitment to the armed forces in the countries MW operates in, in order to have a sufficient recruitment pool. The geopolitical climate, in terms of potential foreign aggression as well as an increase or decrease in national defence budgets will affect the relevant employment pool for MW as it will affect the size of the relevant countries' armed forces. A decrease would pose a moderate risk to MW and affect its possibility to provide its services, ultimately affecting its revenue and results of operations.

## **RISK RELATING TO THE BOND**

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

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

Investors in the Bonds carry a credit risk towards the Group. The investor's ability to receive payment under the Bonds is therefore dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The credit risk and the Group's financial position is affected by several factors of which some have been mentioned in the above category "Risks relating to the Group". One such aspect of credit risk is that there is a risk that a deteriorating financial position of the Group will force the Group to refinance the Bonds instead of redeeming them with cash generated by the Group, as described under Refinancing Risk above. The Issuer's ability to service its debt under the Bonds will in general depend upon the Group's future financial and operating performance and specifically the ability of (i) the AIF Investments to pay dividends to the Issuer and (ii) the AIF's to pay management fees to Slättö. The Issuer's ability will be affected by prevailing economic conditions and financial, business, regulatory and other factors. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital. There is a risk that the Group will not be able to affect any of these remedies on satisfactory terms, or at all, presenting a moderate risk in respect of the Group which would have a negative effect on the Group's operations, earnings, results and financial position.

Furthermore, in case of a deteriorating financial position of the Group, this will affect the Group's ability to refinance the Bonds on favourable terms or at all at the time of the maturity of the Bonds. There is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' value negatively. In addition, there is a risk that an increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' market value negatively. If the Issuer were to be unable to make repayment under the Bonds, there is a risk that the Bondholders would find it difficult or impossible to recover the amounts owed to them under the Bonds, presenting a moderate risk in relation to the Bonds.

#### **Majority owner**

The Group is currently majority controlled by Brofund Group AB which on the date of this Prospectus controls 55.6 per cent. of the Issuer's ordinary shares. The majority owner's interests or any new owners' interests, following a potential change of control in the Issuer, may conflict with the Bondholders', particularly if the Group encounters difficulties or is unable to pay its debts as they fall

due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the Bondholders. Further, there is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial position. If a Change of Control Event (as defined in the Terms and Conditions) occurs, the Bondholders have a right to require a prepayment of its Bonds (put option). There is thus a moderate risk that the Issuer does not have enough liquidity to repurchase the Bonds if the Bondholders use its right of prepayment, see further under Section "Put options" below.

### **Put options**

According to the Terms and Conditions, the Bonds are subject to a prepayment at the option of each Bondholder (put options). There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds, posing a moderate risk to the Group, which could adversely affect the Issuer, e.g. by causing insolvency or an event of default under the Terms and Conditions, and thus adversely affect all Bondholders and not only those that choose to exercise the option.

### **Benchmark Regulation**

Interest payable on the Bonds is calculated by reference to STIBOR. The process for determining STIBOR and other interest-rate benchmarks is subject to a number of legislative acts and other regulations. Some of these acts and regulations have already been implemented whilst some are set to be implemented in the near future. The most extensive initiative in this respect is the Benchmark Regulation (Regulation (EU) 2016/1011 of the European parliament and of the council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014). The Benchmark Regulation came into force on the 1 January 2018. The Benchmark Regulation addresses the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the European Union. The Benchmark Regulation sets requirements for how certain benchmarks are determined and may thereby have an impact on how they develop in the future. This could, for example, lead to increased volatility regarding some benchmarks. A further potential risk is that increased administrative requirements, and resulting regulatory risk, may discourage stakeholders from participating in the production of benchmarks (including so called 'critical benchmarks' such as STIBOR), or that some benchmarks cease to be provided. If this would happen in respect of STIBOR, being the benchmark that is used for the Bonds, it could potentially have negative effects for the Bondholders.

### **Risks relating to security under the Bonds**

#### **Risks relating to the Transaction Security and enforcement of the Transaction Security**

The Issuer's obligations towards the Bondholders under the Bonds are secured by a first priority pledge over 51 per cent. of the shares in Slättö, a first priority pledge over any intragroup loans granted by the Issuer to Slättö and a securities or custody account held in the name of the Issuer, containing Qualified Securities (as defined in the Terms and Conditions). In case of enforcement the value of the assets on the pledged securities or custody account will depend on the value of the Qualified Securities and its underlying value at the time of enforcement, which may vary from time to time depending on the market conditions at the time of enforcement. As such, the enforceability of the Transaction Security

(as defined in the Terms and Conditions) may be subject to uncertainty, specifically in terms of the amount of proceeds the Bondholders would be able to receive from an enforcement of the Transaction Security. Further, as the Issuer has a right to request that Qualified Securities standing to the credit of the pledged account is released if the aggregate value exceeds the required minimum amount, there is a risk that the value of the pledge is deemed limited to the required minimum amount, even if the underlying value of the Qualifies Securities standing to the credit of the pledged account is exceeding such amount. Further, the security granted over Qualified Securities in connection with an increase of the Applicable Minimum Securities Amount and the security granted over Deposited Cash will be subject to hardening periods and may, during such periods, be subject to recovery.

The shareholders in Slättö have entered into a shareholders' agreement that contains customary provisions on the shares transferability, such as post sale purchase right and right of first refusal, as well as drag along and tag along provisions. The security interest in benefit of the Bondholders is limited to the shares being pledged by the Issuer. This means that an enforcement of the Bondholders' security interests in the shares will not operate to sell 100 per cent. of the assets thus affecting the size of enforcement proceeds which may be significantly lower due to discounts for lack of control or having to respect minority interests. Further, the security interest in the shares is affected by the Issuer's ability to obtain a waiver in respect of the above transferability provisions. In addition to this, the terms of the share pledge agreement and the waiver will stipulate that a purchaser of the pledged shares will have to accede to the shareholders' agreement, and be bound by the above mentioned provisions of the shareholders' agreement, which will also affect the market value of the shares and the amount of enforcement proceeds received upon a sale of the shares in Slättö following an enforcement.

The Bondholders are represented by Intertrust (Sweden) AB as security agent (the "**Security Agent**") in all matters relating to the Transaction Security. The Transaction Security may not be perfected, *inter alia*, if the Security Agent or the relevant security provider is not able to or does not take the actions necessary to perfect or maintain the perfection of any such security. Such failure may result in the invalidity of the relevant Transaction Security or adversely affect the priority of such security interest, including a bankruptcy receiver in bankruptcy and other creditors who claim a security interest in the assets subject to the Transaction Security, presenting a moderate risk in relation to the Bonds.

### **Security over assets granted to third parties**

Subject to certain limitations from time to time, the Issuer and its subsidiaries may incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third party debt provider, the Bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third party debt provider. In addition, if any such third party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, such enforcement could have a material adverse effect on the Group's assets, operations and, ultimately, the financial position of the Bondholders which is a minor risk in relation to the Bonds.

### **Risks relating to the financial standing of the Group**

#### **Subsidiaries, structural subordination and insolvency of subsidiaries**

All assets are owned by, and all revenues are generated in, the subsidiaries of the Issuer, as described under the risk factor macroeconomic factors. The subsidiaries and the minority shareholdings are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries and the minority shareholdings to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers).

If the Issuer is not able to receive funds by way of dividends or value transfer from one or more subsidiaries, this could affect the Issuer's ability to service its payment obligations under the Bonds which, presents a moderate risk to the Group and would have a material adverse effect on the Issuer's business, financial position, earnings and result.

The Group or its assets may not be protected from any actions by the creditors of any subsidiary of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' obligations or the occurrence of cross defaults on certain borrowings of the Group.

## **Risks related to the Security Agent and the Bondholders' representation**

### **No action against the Issuer and Bondholders' representation**

In accordance with the Terms and Conditions, the Agent to act on its behalf and to perform administrative functions relating to the Bonds. The Agent shall have, among other things, the right to represent all Bondholders in all court and administrative proceedings in respect of the Bonds. Consequently, there is an overall minor risk that the actions, or omission of such, of the Agent in matters relating to the Bonds would impact a Bondholder's rights under the Terms and Conditions in a manner that is undesirable for some Bondholders, for example if the Agent agrees on waiving a certain provision under the Terms and Conditions which affects a Bondholder's rights thereunder. Furthermore, the rights, duties and obligations of the Agent as the representative of the holders of the Bonds are subject to the provisions of the Terms and Conditions, and there is no specific legislation or market practice in Sweden (under which laws the Terms and Conditions are governed) which would govern the Agent's performance of its duties and obligations relating to the Bonds. There is a risk that a failure by the Agent to perform its duties and obligations properly or at all will have a negative effect on the enforcement of the rights of the Bondholders.

To enable the Agent to represent Bondholders in court, the Bondholders and/or their nominees may have to submit a written power of attorney for legal proceedings. The failure of all Bondholders to submit such a power of attorney could have a negative effect on the legal proceedings as for instance the requisite quorum or majority for taking such legal proceedings may not be obtained.

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

### **Bondholders' meeting**

The Terms and Conditions allow for stated majorities to bind all Bondholders, including Bondholders who have not taken part in the meeting and those who have voted differently from the required majority at a duly convened and conducted Bondholders' meeting. A Bondholder may, for instance, be bound by a majority's decision to accept a change of the interest rate, decision to accept a change of the final maturity date or decision to accept a change of the transaction security. Consequently, there is a minor risk that the actions of the majority in such matters will impact certain Bondholders' rights in a manner that is undesirable for some of the Bondholders.

## THE BONDS IN BRIEF

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

Bonds issued under this Prospectus have STIBOR as interest rate. STIBOR constitutes a benchmark according to the regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). None of the administrators of STIBOR are, as of the date of this Prospectus, part of the register held by the European Securities and Markets Authority ("**ESMA**") in accordance with article 36 of the Benchmark Regulation.

<b>Issuer</b> .....	Neptunia Invest AB (publ).
<b>Bonds offered</b> .....	The aggregate amount of the bond loan is in an amount of (i) Initial Bonds of SEK 300,000,000 have been issued on the First Issue Date (ii) First Subsequent Bonds of SEK 200,000,000 have been issued on the First Subsequent Date and (iii) Second Subsequent Bonds of SEK 50,000,000 have been on the Second Subsequent Issue Date.
	This Prospectus has been prepared solely for the purpose of the admission of trading of the SEK 50,000,000 Second Subsequent Bonds issued on the Second Subsequent Issue Date of 4 October 2022.
<b>Number of Bonds</b> .....	Maximum of 480 Bonds. At the date of this Prospectus 240 Bonds have been issued on the First Issue Date, 160 Bonds have been issued on the First Subsequent Issue Date and 40 Bonds have been issued on the Second Subsequent Issue Date.
	This Prospectus solely relates to the admission to trading of the 40 Bonds issued on the Second Subsequent Issue Date of 4 October 2022.
	Maximum of 40 Bonds can be issued at one or more subsequent dates.
<b>ISIN</b> .....	SE0013888120.
<b>First Issue Date</b> .....	8 July 2020.
<b>First Subsequent Issue Date</b> .....	5 October 2021.
<b>Second Subsequent Issue Date</b> .....	4 October 2022.
<b>Issue Price of the Second Subsequent Bonds</b> .....	All bonds issued on the Second Subsequent Issue Date have been issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
<b>Interest Rate</b> .....	Interest on the Bonds will be paid at a floating rate of three-month STIBOR plus 7.75 per cent. <i>per annum</i> .
<b>Use of benchmark</b> .....	Interest payable on the Bonds will be calculated by reference to STIBOR. As at the date of this Prospectus, the administrator of STIBOR is not included in ESMA's register of administrators under Article 36 of the Regulation (EU) No. 2016/1011.

<b>Interest Payment Dates</b> .....	8 January, 8 April, 8 July and 8 October of each year commencing on 8 October 2020. Interest on the Second Subsequent Bonds will accrue from (but excluding) 8 October 2022.
<b>Nominal Amount</b> .....	The Bonds have a nominal amount of SEK 1,250,000 and the minimum permissible investment in the Bonds is SEK 1,250,000.
<b>Status of the Bonds</b> .....	<p>The Bonds are denominated in SEK and each Bond is constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with the Terms and Conditions.</p> <p>The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer, and shall at all times rank:</p> <p style="margin-left: 40px;">(i) without any preference among them; and</p> <p style="margin-left: 40px;">(ii) at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.</p>
<b>Security</b> .....	The Bonds, are secured by security interests granted on an equal and rateable first-priority basis over the share capital of certain Group Companies and other assets of the Group. See the definition of " <b>Transaction Security Documents</b> " in Clause 1.1 ( <i>Definitions</i> ) of the Terms and Conditions.
<b>Voluntary total redemption (call option)</b> .....	The Issuer has the right to redeem all, but not only some, of the outstanding Bonds in full at any time at the applicable Call Option Amount in accordance with Clause 9.3 ( <i>Voluntary Total Redemption (call option)</i> ) of the Terms and Conditions.
<b>Call Option Amount</b> .....	<p>Call Option Amount, if it is exercised, means:</p> <p style="margin-left: 40px;">(a) any time from and including the First Issue Date to, but excluding, the date falling 24 months after the First Issue Date at an amount per Bond equal to the sum of (i) 103.875 per cent. of the Nominal Amount, together with accrued but unpaid interest, and (ii) the remaining interest payments on or after the First Issue Date to, but excluding, the date falling 24 months after the First Issue Date;</p> <p style="margin-left: 40px;">(b) any time from and including the date falling 24 months after the First Issue Date to, but excluding, the date falling 30 months after the First Issue Date, at an amount per Bond equal to 103.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest;</p> <p style="margin-left: 40px;">(c) any time from and including the date falling 30 months after the First Issue Date to, but excluding, the date falling 36 months after the First Issue Date, at an amount per Bond equal to 102.906 per cent. of the Nominal Amount, together with accrued but unpaid Interest;</p> <p style="margin-left: 40px;">(d) any time from and including the date falling 36 months after the First Issue Date to, but excluding, the date falling 42 months after the First Issue Date, at an amount per Bond equal to 101.938 per cent. of the Nominal Amount, together with accrued but unpaid Interest;</p> <p style="margin-left: 40px;">(e) any time from and including the date falling 42 months after the First Issue Date to, but excluding, the Final Maturity Date, at an amount per Bond equal to 100.969 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and</p>

- (f) notwithstanding the above, provided that the redemption is financed to at least 75 per cent. by way of an issue of Debt Instruments, any time from and including the date falling forty-five months after the First Issue Date to, but excluding, the Final Maturity Date, at an amount equal to 100.25 per cent. of the Nominal Amount together with accrued but unpaid Interest.

**Final Maturity Date** ..... Means 8 July 2024.

**Mandatory repurchase due to a Change of Control Event or Delisting (put option)**..... Upon the occurrence of a Change of Control Event or Delisting, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of 20 Business Days following a notice from the Issuer of the Change of Control Event or Delisting pursuant to Clause 11.1(f) of the Terms and Conditions (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Delisting.

**Change of Control Event** ..... Means:

- (a) prior to an Equity Listing Event, the occurrence of an event or series of events whereby:
- (i) one or more Persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer; or
  - (ii) due to a disposal of the voting shares of the Issuer by a Main Shareholder:
    - (A) Brofund Group AB (or an Affiliate) ceases to own and control at least 51 per cent.; or
    - (B) Georg Ehrnrooth (directly or indirectly) ceases to own and control at least 20 per cent., of the voting shares of the Issuer,
- (b) on or after an Equity Listing Event, the occurrence of an event or series of events whereby one or more Persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), acting together, acquire control over the Issuer and where "control" means (a) acquiring or controlling, directly or indirectly, more than 50 per cent. of the voting shares of the Issuer, or (b) the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of the Issuer; and
- (c) the occurrence of an event or series of events whereby the Issuer ceases to (i) own or control, directly or indirectly, more than 50 per cent. of the voting shares of Slättö Förvaltning AB, or (ii) have the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of Slättö Förvaltning AB.



<b>Certain covenants .....</b>	<p>The Terms and Conditions contain a number of covenants which restrict the ability of the Issuer and other Group Companies, including, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>• restrictions on making any changes to the nature of their business;</li> <li>• a negative pledge, restricting the granting of security on Financial Indebtedness (as defined in the Terms and Conditions);</li> <li>• restrictions on the incurrence of Financial Indebtedness (as defined in the Terms and Conditions); and</li> <li>• limitations on the making of distributions and disposal of assets.</li> </ul> <p>The Terms and Conditions contain incurrence covenants which govern the ability of the Issuer and the other Group Companies to incur additional debt and to make certain payments.</p> <p>The Incurrence Test is met if:</p> <ol style="list-style-type: none"> <li>(a) when calculated in connection with a Restricted Payment, the LTV Ratio is not greater than 30 per cent.;</li> <li>(b) when calculated otherwise, the LTV Ratio is not greater than 40 per cent.; and</li> <li>(c) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness or the making of the Restricted Payment (as applicable).</li> </ol> <p>The Terms and Conditions contains maintenance covenants which govern the financial standing and conditions of the Issuer, according to which the Issuer shall ensure that:</p> <ol style="list-style-type: none"> <li>(a) the LTV Ratio is not greater than 50 per cent.; and</li> <li>(b) if the LTV Ratio is greater than 40 per cent., the Minimum Liquidity Amount shall amount to at least the Minimum Coupon Amount.</li> </ol> <p>Each of these covenants is subject to significant exceptions and qualifications, see the Terms and Conditions.</p>
<b>Use of proceeds .....</b>	<p>The proceeds from the Second Subsequent Bond Issue was used to (i) finance general corporate purposes, including investments and acquisitions, and (ii) finance Transaction Costs.</p>
<b>Transfer restrictions .....</b>	<p>The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.</p>
<b>Listing of the Subsequent Bonds ....</b>	<p>An application will be made to list the 40 Bonds, issued on the Second Subsequent Issue Date on Nasdaq Stockholm. The earliest date for admitting the 40 Bonds to the trading on Nasdaq Stockholm is on or about 30 November 2022.</p>
<b>Agent .....</b>	<p>Intertrust (Sweden) AB, reg. no. 556625-5476, or another party replacing it as Agent, in accordance with the Terms and Conditions.</p>
<b>Security Agent .....</b>	<p>Intertrust (Sweden) AB, reg. no. 556625-5476, or another party replacing it as Security Agent, in accordance with the Terms and Conditions.</p>

<b>Issuing Agent</b> .....	Nordea Bank Abp, filial i Sverige, reg. no. 516411183, or another party replacing it as Issuing Agent, in accordance with the Terms and Conditions.
<b>Governing law of the Bonds</b> .....	Swedish law.
<b>Risk factors</b> .....	Investing in the Bonds involves substantial risks and prospective investors should refer to the section " <i>Risk Factors</i> " for a description of certain factors that they should carefully consider before deciding to invest in the Bonds.

## STATEMENT OF RESPONSIBILITY

The issuance of the Second Subsequent Bonds was authorised by resolutions taken by the board of directors of the Issuer on 28 September 2022, and was subsequently issued by the Issuer on 4 October 2022. This Prospectus has been prepared in connection with the Issuer's application to list the Bonds on the corporate bond list of Nasdaq Stockholm, in accordance with the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council.

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

28 November 2022

Neptunia Invest AB (publ)

*The board of directors*

## DESCRIPTION OF MATERIAL AGREEMENTS

The following is a summary of the material terms of material agreements to which the Issuer is a party and considered as outside of the ordinary course of business. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements.

### Subordination Agreement

The Issuer has entered into a subordination agreement with the Security Agent dated 13 July 2020 (the "**Subordination Agreement**"). The Subordinated Shareholders (as defined in the Subordination Agreement) may grant shareholder debt to the Issuer in the future.

In accordance with the Subordination Agreement, the Senior Creditors (as defined below) and a Subordinated Shareholder (as defined below) agree that their respective claims against the Issuer shall rank in the following order of priority:

- i. firstly, the Senior Debt; and
- ii. secondly, the Shareholder Debt (each as defined in the Subordination Agreement).

For the purpose of this section "*Subordination Agreement*", the below listed terms shall have the following meaning:

<b>Subordinated Shareholder</b>	means any party which becomes a party to the Subordination Agreement as a Subordinated Shareholder in accordance with the terms of Clause 11 (Accessions) of the Subordination Agreement.
<b>Senior Creditors</b>	means the Security Agent, Bondholders and the Agent (each as defined in the Terms and Conditions).
<b>Senior Debt</b>	means all present and future obligations and liabilities of the Issuer to the Senior Creditors under the Finance Documents (including for the avoidance of doubt, all obligations and liabilities under the Bonds and the Agency Agreement).
<b>Shareholder Debt</b>	means all present and future payment obligations of the Issuer to the Subordinated Shareholders, including without limitation any dividends to be paid by the Issuer to a Subordinated Shareholder.

## DESCRIPTION OF THE GROUP

### History and development

Neptunia Invest AB (publ) was incorporated on 15 October 2014 and is a Swedish public limited liability company operating under the laws of Sweden with reg. no. 556986-5453. The Issuer's LEI code is 5493005V7BFLKCSNCQ81.

The registered office of the Issuer is Grev Turegatan 19, 114 38 Stockholm, Sweden and the Issuer's headquarters is located at Grev Turegatan 19, 114 38 Stockholm, Sweden, with telephone number +46 771-650 200. The website of the Issuer is neptuniainvest.se. The information on the website does not form part of the Prospectus unless that information is incorporated by reference into the Prospectus.

In accordance with the articles of association of the Issuer, adopted on 12 February 2020, the objects of the Issuer are to hold and manage real property and movable property and other activities compatible therewith.

### Business and operations

The Issuer is a Swedish investment company which invests in companies within the real estate, financial, defence and safety industries. The most prominent holding of the Issuer is its investment in Slättö Förvaltning AB which represents approximately 35 per cent. of the Issuer's total assets and in which the Issuer is the majority shareholder. The second largest asset of the Issuer is its holdings in SIBS AB which comprise approximately 19 per cent. of the Issuer's total assets. Thirdly, the Issuer's investment in Slättö Förvaltning AB's underlying funds and other financial investments represents approximately 17 per cent. of the Issuer's total assets. The Issuer's majority shareholding in the staffing and consultancy company MW Group represents approximately 14 per cent. of the Issuer's total assets. Lastly, the Issuer's other venture capital investments represent approximately 9 per cent. of the Issuer's total assets. Each of the percentages above are as per the Quarterly Financial Statements.

#### *Slättö Förvaltning AB*

Slättö Förvaltning AB is authorised as an alternative investment fund manager by the SFSA and is an experienced fund manager which has raised over MSEK 8,000 in equity across seven funds since 2013 and has approximately MSEK 16,000 of assets under management, all focused on real estate. In providing its services to its subsidiaries, Slättö Förvaltning AB has approximately 53 employees which are allocated to assist its funds and subsidiaries throughout its various projects and the project phases. The most important assistance provided by Slättö Förvaltning AB is the advice of the investment committee allocated to its subsidiaries which comprises of four key persons which take the overall investment and strategy decisions for its subsidiaries. In addition to this, the funds has a designated fund manager, also acting as CEO of the subsidiaries, which executes the decisions of the investment committee. The investment strategies of funds managed by Slättö Förvaltning AB's are primarily focused on development of residential properties with a focus on rental apartments, with the addition of selective investments in cash-flow generating warehouse, logistics and light industry properties.

#### *SIBS AB*

SIBS AB is a developer, producer and owner of residential buildings in the Nordic countries. SIBS AB has developed a construction system which encompasses the entire integrated value chain in order to create greater flexibility and to substantially shorten the construction period. SIBS AB has completed 1,303 apartments and the properties produced by SIBS AB are partly managed with a long-

term holding perspective. Furthermore, in Q2 2022, SIBS AB signed an agreement with the British property developer Donald Living to build 1,000 apartments annually on the British Isles.

#### *MW Group AB*

MW Group AB provides staffing and consultancy services to the defence, security and heavy industry sector and only employs personnel who have serviced in the armed forces. MW Group AB's services are often utilised by companies and public institutions providing societies with functions of public importance (i.e. water, electricity and broadband). The contracts MW Group AB is engaged on span across all levels of complexity, from providing strategic advice, qualified trainings and leadership to practical field work. MW Group AB services are offered on its Nordic home markets as well as internationally and in geographical areas with harsher or unusual environments due to conflict or other challenges to that area. Furthermore, in July 2021, MW Group AB acquired 3GNS and the company was integrated into the business unit MW Field Services. The acquisition was a part of MW Group AB's expansion strategy and MW Field Services has through the acquisition been extended to include the fields of telecommunications, power and infrastructure.

#### *Venture capital investments*

The Issuer has a number of venture capital investments in which the Issuer holds minority interests in fast growing companies predominantly active within digitalisation or with a technical profile. Investment characteristics include active majority owners with a strong entrepreneurial drive, operations in-line with trends identified for the future and companies which share the Issuer's core values and operate a sustainable business. Notable investments include Real Alliance, Brocc and Insurely.

#### **Share capital and ownership structure**

The shares of the Issuer are denominated in SEK. Each share carries one vote and has equal rights on distribution of income and capital. As of the date of this Prospectus, the Issuer had an issued share capital of SEK 619,990 divided into 61,999 ordinary shares.

The following table sets forth the ownership structure in the Issuer as of the date of this Prospectus.

<i>Shareholder</i>	<i>No. of shares</i>	<i>Share capital</i>	<i>Voting Rights</i>
Brofund Group AB	34,461	55,6%	55,6%
Topsin Investment S.A.	11,491	18,5%	18,5%
Rosfelt Holding AB	5,494	8,9%	8,9%
Gunnar Brock	2,657	4,3%	4,3%
Jeansson Pilotti AB	1,993	3,2%	3,2%
John Lindfors	1,900	3,1%	3,1%
E. Öhman J:or Alternative Investments AB	1,845	3,0%	3,0%
RoosGruppen AB	1,845	3,0%	3,0%
Hugin Invest AB	313	0,5%	0,5%
<b>Total</b>	<b>61,999</b>	<b>100.0 %</b>	<b>100.0 %</b>

#### *Majority shareholder, shareholder agreements and management's shareholdings*

Brofund Group AB is the majority owner of the Issuer and exercises control over the Issuer. The shareholders of the Issuer have entered into a shareholder agreement limiting their control over the Issuer. In addition to the shareholder agreement and limitations imposed by the Swedish companies act, the majority owner has necessary internal mechanisms in place to ensure that the control over the Issuer is not abused. The Issuer is not aware of the details of any provision in the arrangements

between the shareholders which may have an effect, at a subsequent date, that results in a change of control of the Issuer.

Each of the board members, Johan Karlsson and Mikael Karlsson through the jointly owned (50 per cent. shareholding each) Brofund Group AB, Georg Ehrnrooth through its wholly-owned Topsin Investment S.A., Daniel Pilotti through Jeansson Pilotti AB and Gunnar Brock, own ordinary shares in the Issuer.

### **Overview of Group structure**

On the date of this Prospectus, the Issuer has, directly and indirectly, majority ownership in two subsidiaries, MW Group AB in which the Issuer owns approximately 93 per cent. of the shares and Slättö Förvaltning AB in which the Issuer owns approximately 70 per cent. of the shares.

Operations are conducted by the subsidiaries and other entities in which the Issuer has made an investment and the Issuer is thus dependent on its subsidiaries and the entities in which it has made an investment to generate revenues and profit in order to be able to fulfil its payment obligations under the Bonds.

### **Recent events**

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

### **Significant change, trend information and financial performance**

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

### **Legal, governmental and arbitration proceedings**

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

### **Credit rating**

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

## MANAGEMENT

On the date of this Prospectus the board of directors of the Issuer consisted of five members which have been elected by the general meeting. The board of directors and the senior management can be contacted through the Issuer at its headquarters at Grev Turegatan 19, 114 38 Stockholm, Sweden, with telephone number +46 771-650 200. Further information on the members of the board of directors and the senior management is set forth below.

### Board of directors

#### ***Gunnar Brock, chairman of the board since 2017.***

**Education:** MBA from the Stockholm School of Economics

**Current commitments:** Chairman of the board in Stena AB, member of the board of ABB Ltd., Patricia Industries AB and Investor AB.

#### ***Georg Ehrnrooth, member of the board since 2017.***

**Education:** Studies in agriculture and forestry at Högre Svenska Läroverket, Turku

**Current commitments:** Vice chairman of the board in eQ Oyj, chairman of the board in Louise and Göran Ehrnrooth Foundation., member of the board of Geveles Ab, Sampo Oyj, Anders Wall Foundation, Fennogens Investments S.A., Topsin Investments S.A and Paavo Nurmi Foundation.

#### ***Johan Karlsson, member of the board since 2015.***

**Education:** Studies in business law at Linköping University

**Current commitments:** Chairman of the board in Brofund Group AB and Brofund Equity AB, CEO of Neptunia Invest AB (publ) and Slättö Förvaltning AB, a member of the board of various other companies in the Slättö group and its affiliated companies.

#### ***Mikael Karlsson, member of the board since 2017.***

**Education:** Master in business law from Linköping University and Swedish Armed Forces - Coastal Naval Ranger Company, 2nd Amphibious Battalion, Amphibious Regiment

**Current commitments:** CEO of MW Group AB, member of the board of Brofund Group AB, Brofund Equity AB, JobAgent i Skandinavien AB and various other companies in the MW group and its affiliated companies.

#### ***Daniel Pilotti, member of the board since 2021.***

**Education:** Business studies at Stockholm School of Economics and own entrepreneurship.

**Current commitments:** Chairman of the board in Ryska Posten AB and various other companies in the Ryska Posten group and its affiliated companies, Chairman of the board in Never Eat Alone Invest I AB, member of the board in MW Group AB, Jeansson Pilotti AB, Pilotti and Partners AB, Budbee Holding AB, blipp



AB, Eyescanner Technology Sweden AB and Never Eat Alone Invest II AB, and advisor to a wide range of start-ups.

## **Management**

***Johan Karlsson, formally appointed CEO since 2017.***

Please see description above.

***Gustav Niblaeus, appointed CFO since 2021.***

**Education:** Master of Science in Finance & Accounting from the Stockholm School of Economics

**Current commitments:** N/A

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

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

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

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

## HISTORICAL FINANCIAL INFORMATION

### Historical financial information

Information from the Group's consolidated financial statements for the financial years ended 31 December 2021 and 31 December 2020, as set out below, is incorporated into this Prospectus by reference (please see section "*Other Information*"). The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds, the prospectus regulation or is covered elsewhere in the Prospectus. All such information is available on the Issuer's website [www.neptuniainvest.se/investerare](http://www.neptuniainvest.se/investerare).

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

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

The following pages from the Group's consolidated financial statements for the financial year ended 31 December 2021 are incorporated into this Prospectus by reference:

- consolidated income statement, page 30-31;
- consolidated balance sheet, page 32-33;
- consolidated cash flow statement, page 35;
- consolidated statement of changes in equity, page 34;
- the audit report, page 68-76 and
- notes, page 41-66.

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

- income statement, page 23;
- balance sheet, page 24-25;
- cash flow statement, page 27;
- statement of changes in equity, page 26;
- the audit report, page 55-56; and
- notes, page 33-54.

### Auditing of the annual historical financial information

The Group's consolidated financial statements as at present and for the years 2021 to 2020 have been audited, as applicable, by Ernst & Young AB, Jakobsbergsgatan 24, 111 44 Stockholm, Sweden. Ernst & Young AB has been the Issuer's auditor since 2018, and was re-elected for an additional year on the latest annual general meeting. Mikael Ikonen is the auditor who is responsible for the Issuer. Mikael Ikonen is an authorised auditor and is a member of the professional body FAR, the professional institute for the accountancy sector in Sweden.

The auditing of the Group's consolidated financial statements for the financial year ended 31 December 2021 and 31 December 2020 was conducted in accordance with international standards on auditing and the audit reports were submitted without comment.

**Age of the most recent financial information**

The most recent financial information has been taken from the Group's consolidated financial statements for the financial year ended 31 December 2021, which is available on the Issuer's website [www.neptuniainvest.se/investerare](http://www.neptuniainvest.se/investerare).

## OTHER INFORMATION

### Approval of the Prospectus

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

### Clearing and settlement

As of the date of this Prospectus, Initial Bonds, First Subsequent Bonds and Second Subsequent Bonds have been issued in an amount of SEK 550,000,000 and this Prospectus relates to the admission of trading of the SEK 50,000,000 Second Subsequent Bonds issued on the Second Subsequent Issue Date. Each Bond has a nominal amount of SEK 1,250,000. The ISIN for the Bonds is SE0013888120.

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

### Representation of the Bondholders

The Terms and Conditions stipulates the provisions for the Agent's representation of the Bondholders and can be accessed on the Issuer's website: [www.neptuniainvest.se](http://www.neptuniainvest.se).

### Material contracts

Other than as described under the section entitled "*Description of Material Agreements*" herein, the Group has not entered into any material contracts not in the ordinary course of its business and which may affect the Group's ability to fulfil its obligations under the Bonds.

### Documents incorporated by reference

This Prospectus is, in addition to this document, comprised of information from the following documents which are incorporated by reference and available in electronic format on the Issuer's website at [www.neptuniainvest.se/investerare](http://www.neptuniainvest.se/investerare):

- pages 30 – 76 of the Group's consolidated financial statements and audit report for the financial year ended 31 December 2021; and
- pages 23 – 56 of the Issuer's financial statements and audit report for the financial year ended 31 December 2020.

### Documents available for inspection

The following documents are available at the Issuer's headquarters at Grev Turegatan 19, 114 38 Stockholm, Sweden, on weekdays during the Issuer's regular office hours throughout the period of validity of this Prospectus. The documents are also available in electronic form on the Issuer's website [www.neptuniainvest.se/investerare](http://www.neptuniainvest.se/investerare):

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

**Listing costs**

The aggregate cost for the Bonds' admission to trading is estimated not to exceed SEK 125,000.

## TERMS AND CONDITIONS OF THE BONDS

### 1. Definitions and Construction

#### 1.1 Definitions

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

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

"**Accounting Principles**" means international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time) as applied by the Issuer in preparing its annual financial statements.

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

"**Advance Purchase Agreements**" means (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services in the normal course of business with credit periods which are no longer than 90 days after the supply of assets or services, or (b) any other trade credit incurred in the ordinary course of business where payment is due no more than 90 days after the date of trade.

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

"**Agency Agreement**" means the agency agreement entered into on or prior to 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 Intertrust (Sweden) AB, reg. no. 556625-5476, P.O. Box 16285, SE-103 25 Stockholm, Sweden or another party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Applicable Minimum Securities Amount**" means, for the period:

- (a) from (and including) the first Reference Date until (but excluding) 1 January 2021, SEK 250,000,000;
- (b) from (and including) 1 January 2021 until (but excluding) 1 July 2021, SEK 275,000,000;
- (c)
  - (i) if the Total Nominal Amount does not exceed SEK 250,000,000, for the period from (and including) 1 July 2021 until the Final Maturity Date, SEK 300,000,000; and
  - (ii) if the Total Nominal Amount exceeds SEK 250,000,000, for the period:

- (A) from (and including) 1 July 2021 until (but excluding) 1 January 2022, SEK 300,000,000;
- (B) from (and including) 1 January 2022 until (but excluding) 1 July 2022, SEK 325,000,000; and
- (C) from (and including) 1 July 2022 until the Final Maturity Date, SEK 350,000,000.

**"Blocked Securities Account"** means a securities or custody account in the name of the Issuer pledged in favour of the Secured Parties (represented by the Security Agent) or any other security granted in favour of the Secured Parties (represented by the Security Agent).

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

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

**"Bondholders' Meeting"** means a meeting among the Bondholders held in accordance with Clause 17 (*Bondholders' Meeting*).

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

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

**"Business Day Convention"** means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

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

**"Change of Control Event"** means:

- (a) prior to an Equity Listing Event, the occurrence of an event or series of events whereby:
  - (i) one or more Persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), 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 all or a majority of the directors of the board of directors of the Issuer; or
  - (ii) due to a disposal of the voting shares of the Issuer by a Main Shareholder:

- (A) Brofund Group AB (or an Affiliate) ceases to own and control at least fifty-one (51) per cent.; or
- (B) Georg Ehrnrooth (directly or indirectly) ceases to own and control at least twenty (20) per cent.,

of the voting shares of the Issuer; and

- (b) on or after an Equity Listing Event, the occurrence of an event or series of events whereby one or more Persons, not being the Main Shareholders (or an Affiliate of the Main Shareholders), 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 all or a majority of the directors of the board of directors of the Issuer; and
- (c) the occurrence of an event or series of events whereby the Issuer ceases to (i) own or control, directly or indirectly, more than 50 per cent. of the voting shares of Slättö Förvaltning AB, or (ii) have the right to, directly or indirectly, appoint or remove all or a majority of the directors of the board of directors of Slättö Förvaltning AB.

**"Completion Date"** means the date of disbursements of the proceeds from the Proceeds Account.

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

- (a) that so far as it is aware no Event of Default is continuing or, if it is aware that an Event of Default is continuing, specifying the event and steps, if any, being taken to remedy it; and
- (b) if the Compliance Certificate is provided in connection with an Incurrence Test, that the Incurrence Test is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated);
- (c) if the Compliance Certificate is provided in connection with that a Financial Report is made available, that the Maintenance Covenant is met (including figures in respect of the relevant financial tests and the basis on which they have been calculated) and that the Issuer is in compliance with the undertaking set out in Clause 13.15 (*Minimum Securities Value*) (including figures in respect of the undertaking and the basis on which they have been calculated); and/or
- (d) clean down of the Slättö Förvaltning Working Capital Facility.

**"CSD"** means the Issuer's central securities depository and registrar in respect of the Bonds, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

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



**"Delisting"** means, following an Equity Listing Event, (i) the delisting of the shares in the Issuer (or a holding company of the Issuer) from a Regulated Market or (ii) trading in the ordinary shares of the Issuer (or a holding company of the Issuer) on the relevant Regulated Market is suspended for a period of fifteen (15) consecutive Business Days (when that Regulated Market is at the same time open for trading).

**"Equity Bridge Loan"** means a loan from any direct or indirect shareholder of the Issuer or from any affiliate of any direct or indirect shareholder of the Issuer (save for any Subsidiary of the Issuer) which does not constitute Shareholder Debt.

**"Equity Injection"** means the injection of equity by way of a new issue of shares or a shareholder's contribution made by a direct shareholder of the Issuer in an amount of no less than SEK 50,000,000.

**"Equity Listing Event"** means an initial public offering of shares in the Issuer (or a holding company of the Issuer), after which such shares shall be admitted to trading on a Regulated Market.

**"Event of Default"** means an event or circumstance specified in any of the Clauses 14.1 (*Non-Payment*) to and including Clause 14.11 (*Continuation of the Business*).

**"Final Maturity Date"** means 8 July 2024.

**"Finance Documents"** means:

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

**"Finance Leases"** means any finance leases, to the extent the arrangement is or would have been treated as a finance or a capital lease in accordance with the Accounting Principles applicable from time to time (a lease which in the accounts of the Group is treated as an asset and a corresponding liability).

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

- (a) monies borrowed or raised, including Market Loans;
- (b) the amount of any liability in respect of any Finance Leases;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

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

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

**"Financial Report"** means the Group's and the Issuer's annual audited financial statements or quarterly interim unaudited reports, which shall be prepared and made available according to Clauses 11.1(a)(i) to 11.1(a)(ii).

**"First Issue Date"** means 8 July 2020.

**"Floating Rate Margin"** means 7.75 per cent. *per annum*.

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

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

**"Incurrence Test"** means the incurrence test set out in Clause 12.3 (*Incurrence Test*).

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

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

**"Insolvent"** means, in respect of a relevant Person, that it is deemed to be insolvent, within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), admits inability to pay its debts as they fall due, suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

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

**"Interest Payment Date"** means 8 January, 8 April, 8 July, and 8 October each year. The first Interest Payment Date shall be 8 October 2020. The last Interest Payment Date shall be the Final Maturity Date (or such earlier date on which the Bonds are redeemed in full). To the

extent any of the above dates is not a Business Day, the Business Day following from an application of the Business Day Convention.

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

**"Interest Rate"** means 3 months STIBOR plus the Floating Rate Margin.

**"Issuer"** means Neptunia Invest AB (publ), a public limited liability company incorporated in Sweden with reg. no. 556986-5453.

**"Issuing Agent"** means Nordea Bank Abp, filial i Sverige, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

**"LTV Ratio"** means the ratio of Net Interest Bearing Debt to Total Assets expressed as a percentage.

**"Main Shareholders"** means Georg Ehrnrooth (directly or indirectly) and Brofund Group AB.

**"Maintenance Covenant"** means the maintenance covenant set out in Clause 12.1 (*Maintenance Covenant*).

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

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

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

**"Material Group Company"** means:

- (a) Slättö Förvaltning AB; and
- (b) any Group Company representing ten (10) per cent. or more of the Total Assets pursuant to the most recent Financial Report.

**"Minimum Coupon Amount"** means an amount equivalent to the interest payable under the Bonds for the next 12 months, provided that STIBOR applied on the preceding Interest Payment Date shall be applied for the entire period.

**"Minimum Liquidity"** means the aggregate amount of cash and cash equivalents of the Issuer in accordance with the applicable accounting principles from time to time plus any available

and unutilised commitments under the Issuer's overdraft or working capital facilities as of the relevant Reference Date.

**"Minimum Securities Value"** means the aggregated value of (i) Qualified Securities and/or Bonds (valued at the lower of (A) the market value of the Bonds and (B) the Nominal Amount) standing to the credit of the Blocked Securities Account and (ii) Deposited Cash.

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

**"Net Interest Bearing Debt"** means the aggregate interest bearing Financial Indebtedness less cash and cash equivalents of the Issuer in accordance with the Accounting Principles (for the avoidance of doubt, excluding guarantees, bank guarantees, Shareholder Debt, any claims subordinated pursuant to a subordination agreement on terms and conditions satisfactory to the Agent and interest bearing Financial Indebtedness borrowed from any Group Company).

**"Net Proceeds"** means the proceeds from a Bond Issue after deduction has been made for the Transaction Costs payable by the Issuer in relation to a Bond Issue.

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

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

- (a) incurred under the Bonds (other than Subsequent Bonds);
- (b) arising under any interest rate hedging transactions, but not any transaction for investment or speculative purposes;
- (c) arising under a foreign exchange transaction or a commodity transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates or prices where the exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions but not any transaction for investment or speculative purposes;
- (d) incurred under the Refinancing Debt and Refinancing Shareholder Debt until the Completion Date;
- (e) of the Group incurred pursuant to any Finance Leases in a maximum amount of SEK 5,000,000;
- (f) of the Group under any guarantee issued by a Group Company;
- (g) incurred by a Group Company from another Group Company (including any cash pool arrangements);
- (h) incurred by the Issuer under any Shareholder Debt;
- (i) incurred by the Issuer under any Equity Bridge Loan if such Financial Indebtedness meets the Incurrence Test, and:
  - (i) such Equity Bridge Loan is subordinated to the obligations of the Issuer under the Finance Documents;

- (ii) the proceeds from such Equity Bridge Loan has been, or is designated to be, applied towards investments or towards refinancing any debt which was applied towards such purpose;
  - (iii) such Equity Bridge Loan, according to its terms yield only payment-in-kind interest and/or cash interest that is (A) on arm's length terms or, for the Issuer, more favourable and (B) payable after the Final Maturity Date unless a Restricted Payment is permitted under the Finance Documents; and
  - (iv) (iv) such Equity Bridge Loan has a tenor of, and is repaid, no more than six months from its incurrence, provided that if the Incurrence Test for such repayment is not met, the Equity Bridge Loan must be refinanced or discharged by way of an unconditional shareholders' contribution or with Shareholder Debt.
- (j) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test, and
- (i) is incurred as a result of a Subsequent Bond Issue;
  - (ii) ranks *pari passu* with the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date; or
  - (iii) is subordinated to the obligations of the Issuer under the Finance Documents and has a final maturity date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date;
- (k) incurred under Advance Purchase Agreements;
- (l) incurred under any pension and tax liabilities in the ordinary course of business by any Group Company;
- (m) arising under any counter-indemnity obligation in respect of a guarantee, 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;
- (n) incurred by Slättö Förvaltning AB under any working capital facility provided for the general corporate purposes of Slättö Förvaltning AB or its Subsidiaries in a maximum amount not exceeding the higher of (A) SEK 35,000,000 and (B) fifteen (15) per cent. of the annual turnover by Slättö Förvaltning AB (unconsolidated) (the "**Slättö Förvaltning Working Capital Facility**");
- (o) incurred in connection with the redemption of the Bonds or any Market Loan in order to fully refinance the Bonds or a Market Loan (as applicable) and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds or the relevant Market Loan (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds or the Market Loan (as applicable); and
- (p) not covered under paragraphs (a)-(o) above:

- (i) incurred by Slättö Förvaltning AB in an aggregate maximum amount not exceeding SEK 10,000,000; and
- (ii) incurred by the Issuer in an aggregate maximum amount not exceeding the higher of SEK 100,000,000.

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

- (a) provided under the Finance Documents;
- (b) under the Refinancing Debt, up until the Completion Date;
- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (d) arising under any netting or set off arrangements under financial derivatives transactions or bank account arrangements, including any group cash pool arrangements;
- (e) provided over any assets being subject to a Finance Lease, permitted pursuant to paragraph (e) of the definition of "Permitted Debt";
- (f) provided in relation to any lease agreement entered into by a Group Company in the ordinary course of business and on normal commercial terms;
- (g) affecting any asset acquired after the First Issue Date, provided that such security is discharged and released in full within ninety (90) days of such acquisition;
- (h) created for the benefit of the financing providers in relation to a refinancing of the Bonds in full, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full (other than with respect to an escrow account (if applicable) which may be perfected in connection with the incurrence of such debt);
- (i) in the form of an escrow account created for the benefit of the financing providers in relation to Financial Indebtedness permitted pursuant to paragraph (o) of the definition of "Permitted Debt", however provided always that such Security is released in connection with the disbursement of the relevant Financial Indebtedness;
- (j) provided for any guarantees issued by a Group Company in the ordinary course of business;
- (k) any security provided to secure any Permitted Debt referred to in paragraphs(b), (c), (l) and (n) of the definition "Permitted Debt"; or
- (l) not covered under paragraphs (a)-(k) above:
  - (i) provided by Slättö Förvaltning AB and securing an aggregate maximum amount not exceeding SEK 10,000,000; and

- (ii) provided by the Issuer and securing an aggregate maximum amount not exceeding SEK 100,000,000.

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

**"Proceeds Account"** means a bank account of the Issuer, into which the Net Proceeds from the Initial Bond Issue will be transferred and which has been pledged in favour of the Agent and the Bondholders (represented by the Agent) under the Proceeds Account Pledge Agreement.

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

**"Qualified Securities"** means shares or other securities issued in or by Subsidiaries, associated entities or funds controlled by Slättö Förvaltning AB.

**"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 Bondholders is to be made under Clause 15 (*Distribution of Proceeds*), (iv) the date of a Bondholders' Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

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

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

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

**"Refinancing Debt"** means the outstanding debt incurred by the Issuer as borrower under facilities made available by Erik Penser Bank AB (publ) as lender.

**"Refinancing Shareholder Debt"** means the loan extended from Brofund Group AB to the Issuer, the loan extended from Brofund Equity AB to the Issuer, the loan extended from Topanga OÜ to the Issuer, the loan extended from Topsin Investment S.A. to the Issuer and the loan extended from Gunnar Brock to the Issuer.

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

**"Release Amount"** means the sum of (i) the lowest Minimum Securities Value of the Minimum Securities Values measured on the Relevant Reference Dates less (ii) the Applicable Minimum

Securities Amount, provided that amounts released to the Issuer on or after a Reference Date shall be deducted from the Minimum Securities Value for such Reference Date when calculating the Release Amount for subsequently requested releases.

"**Restricted Payment**" has the meaning set forth in Clause 13.2(a).

"**Restricted Subsidiary**" means each Material Group Company and each Subsidiary of a Material Group Company.

"**Secured Obligations**" means all present and future, actual and contingent, liabilities and obligations at any time due, owing or incurred by the Issuer towards the Secured Parties outstanding from time to time under the Finance Documents.

"**Secured Parties**" means the Security Agent, the Bondholders and the Agent (including in its capacity as Agent under the Agency Agreement).

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

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

"**Security Agent**" means the security agent holding the Transaction Security on behalf of the Secured Parties, being Intertrust (Sweden) AB on the First Issue Date.

"**Security Documents**" means the security documents pursuant to which the Transaction Security is created and any other document designated as a Security Document by the Issuer and the Security Agent.

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

- (a) according to the Subordination Agreement is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Maturity Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Maturity Date unless a Restricted Payment is permitted under the Finance Documents.

"**STIBOR**" means:

- (a) the applicable percentage rate *per annum* calculated and administrated by Swedish Financial Benchmark Facility (or any other person which takes over the administration for that rate) and displayed on the appropriate Reuters' screen (or another system or page 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 equal to the relevant Interest Period; or



- (b) if no rate 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 leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (c) if no quotation is available pursuant to paragraph (b), 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
- (d) if any such rate is below zero, STIBOR will be deemed to be zero.

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

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

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

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

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

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

**"Total Assets"** means the book value of all assets of the Issuer calculated in accordance with the Accounting Principles.

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

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

**"Transaction Security"** means the Security provided for the Secured Obligations pursuant to the Security Documents, initially being;

- (a) a Swedish law governed pledge over fifty-one (51) per cent. of the shares in Slättö Förvaltning AB granted by the Issuer;
- (b) a Swedish law governed pledge over any current and future intercompany loans provided by the Issuer to Slättö Förvaltning AB; and

- (c) a Swedish law governed pledge over the Blocked Securities Account.

"**Written Procedure**" means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 18 (*Written Procedure*).

## 1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
  - (i) "assets" includes present and future properties, revenues and rights of every description;
  - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
  - (iii) a "regulation" includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
  - (iv) an Event of Default is continuing if it has not been remedied or waived;
  - (v) a provision of law is a reference to that provision as amended or re-enacted; and
  - (vi) a time of day is a reference to Stockholm time.
- (b) When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Sw. Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.
- (c) A notice shall be deemed to be sent by way of press release if it is made available to the public within the European Economic Area promptly and in a non-discriminatory manner.
- (d) No delay or omission of the Agent, the Security Agent or of any Bondholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## 2. Status of the Bonds

- (a) The Bonds are denominated in Swedish Kronor and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Bonds and to comply with these Terms and Conditions.
- (b) By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds, each subsequent Bondholder confirms such agreement.

- (c) The initial nominal amount of each Initial Bond is SEK 1,250,000 (the "**Nominal Amount**"). The Total Nominal Amount of the Initial Bonds is SEK 300,000,000. All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100) per cent. of the Nominal Amount.
- (d) The minimum permissible investment in a Bond Issue is SEK 1,250,000.
- (e) Provided that the Incurrence Test is met, the Issuer may, at one or several occasions, issue Subsequent Bonds (each such issue, a "**Subsequent Bond Issue**"). Subsequent Bonds shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the Final Maturity Date applicable to the Initial Bonds shall apply to Subsequent Bonds. The price of the Subsequent Bonds may be set at a discount or at a premium compared to the Nominal Amount. The maximum Total Nominal Amount of the Bonds (the Initial Bonds and all Subsequent Bonds) may not exceed SEK 600,000,000 unless a consent from the Bondholders is obtained in accordance with Clause 16(e)(i). Each Subsequent Bond shall entitle its holder to Interest in accordance with Clause 8(a), and otherwise have the same rights as the Initial Bonds.
- (f) The Bonds constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
- (g) The Bonds are freely transferable but the Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable, under local laws to which a Bondholder may be subject. Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- (h) No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds.

### 3. Use of Proceeds

- (a) The proceeds from the Initial Bond Issue shall be used to (i) refinance the Refinancing Debt in full, (ii) refinance the Issuer's working capital financing arrangements in part, (iii) refinance the Refinancing Shareholder Debt in full and (iv) finance general corporate purposes, including investments and acquisitions, and (v) finance Transaction Costs.
- (b) The proceeds from any Subsequent Bond Issue shall be used to (i) finance general corporate purposes, including investments and acquisitions, and (ii) finance Transaction Costs.

## 4. Conditions Precedent

### 4.1 Conditions Precedent for First Issue Date

- (a) The Issuer shall provide to the Agent, or procure the provision of, to the satisfaction of the Agent, no later than 9:00 on the First Issue Date (or such later time as agreed to by the Agent):
- (i) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute the Finance Documents) for the Issuer and each other party to a Finance Document (other than the Agent), together constituting evidence that the Finance Documents have been duly executed;
  - (ii) copies of the Terms and Conditions, the Agency Agreement and the Proceeds Account Pledge Agreement, duly executed; and
  - (iii) evidence that the Security under the Proceeds Account Pledge Agreement has been perfected.
- (b) The Issuer shall provide to the Agent, or procure the provision of, to the satisfaction of the Agent, no later than 9:00 on the date of the relevant Bond Issue (or such later time as agreed to by the Agent), in respect of the Subsequent Bonds, the following:
- (i) constitutional documents and corporate resolutions (approving the Subsequent Bond Issue and resolving to enter into documents necessary in connection therewith) for the Issuer; and
  - (ii) a Compliance Certificate evidencing that the Incurrence Test has been met.

Any Subsequent Bond Issue is further subject to the Agent's receipt of the documents and evidence referred to in Clause 4.1(a) in relation to the Initial Bond Issue and that the Security created over the Proceeds Account Pledge Agreement has been released in accordance with Clause 4.2(b) (*Conditions Precedent for Disbursement*).

- (c) The Agent may assume that the documentation and evidence delivered to it pursuant to Clauses 4.1 and 4.2 (*Conditions Precedent for Disbursement*) is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not have any obligation to review the documentation and evidence referred to in Clauses 4.1 and 4.2 (*Conditions Precedent for Disbursement*) from a legal or commercial perspective of the Bondholders.
- (d) The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clauses 4.1(a) or 4.1(b), as the case may be, have been fulfilled (or amended or waived in accordance with Clause 19 (*Amendments and Waivers*)). The relevant Bond Issue shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent no later than 10 a.m. on the date of the relevant Bond Issue (or later, if the Issuing Agent so agrees), or (ii) if the Issuing Agent and the Issuer agree to postpone or cancel the relevant Bond Issue.
- (e) Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.1(d), the Issuing Agent shall, as applicable, settle the issuance of the Initial Bonds

and pay the Net Proceeds into the Proceeds Account on the First Issue Date or settle the issuance of any Subsequent Bonds and pay the Net Proceeds to the Issuer on the date of the relevant Bond Issue.

## 4.2 Conditions Precedent for Disbursement

- (a) The Net Proceeds of the offering of the Initial Bonds shall be paid by the Issuing Agent into the Proceeds Account, as soon as practical, following confirmation from the Agent to the Issuing Agent that the conditions precedent in Clause 4.1(a) (*Conditions Precedent for First Issue Date*) have been fulfilled.
- (b) When the following have been received to the satisfaction of the Agent (acting reasonably), the Agent shall instruct the bank (with which the Issuer holds the Proceeds Account) to transfer the funds standing to the credit on the Proceeds Account from the Proceeds Account for the purpose set out in Clause 3 (*Use of Proceeds*), and the Agent shall thereafter or in connection therewith release the pledge over the Proceeds Account:
  - (i) copies of the Finance Documents, duly executed;
  - (ii) evidence that the Transaction Security either has been or will immediately following disbursement from the Proceeds Account be perfected in accordance with the terms of the Finance Documents;
  - (iii) evidence by way of a release letter that the security existing in favour of the Refinancing Debt will be released and discharged upon repayment of the Refinancing Debt;
  - (iv) evidence that the Equity Injection has been made;
  - (v) an agreed form Compliance Certificate;
  - (vi) evidence that the Refinancing Debt and Refinancing Shareholder Debt has or will immediately upon disbursement be repaid;
  - (vii) legal opinion(s) on the capacity and due execution, in respect of any non-Swedish entity being party to a Finance Document issued by a reputable law firm; and
  - (viii) legal opinion(s) on the validity and enforceability of any Finance Document not governed by Swedish law issued by a reputable law firm.
- (c) If the Agent determines (acting reasonably) that it has not received the conditions precedent set out in Clause 4.2(b) within thirty (30) Business Days from the First Issue Date, the Issuer shall redeem all Bonds at a price equal to one hundred and one (101) per cent. of the Initial Nominal Amount together with any accrued Interest. The funds standing to the credit on the Proceeds Account shall in such case be applied to redeem the Bonds on behalf of the Issuer. Any shortfall shall be covered by the Issuer. The redemption date shall fall no later than thirty (30) Business Days after the ending of the thirty (30) Business Days period referred to above.
- (d) A redemption in accordance with Clause 4.2(c) shall be made by the Issuer giving notice to the Bondholders and the Agent promptly following the date ending after the

thirty (30) Business Days when the redemption obligation is triggered pursuant to Clause 4.2(c). The notice shall specify the Record Date for the redemption.

## 5. Bonds in Book-Entry Form

- (a) The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator.
- (b) Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- (c) The Issuer (and the Agent when permitted under the CSD's applicable regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- (d) For the purpose of or in connection with any Bondholders' Meeting or any Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Bonds.
- (e) The Issuer shall issue any necessary power of attorney to such Persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.

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

- (a) If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Bondholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Bondholder and authorising such Person.
- (b) A Bondholder may issue one or several powers of attorney or other authorisation to third parties to represent it in relation to some or all of the Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder and may further delegate its right to represent the Bondholder by way of a further power of attorney.
- (c) The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 6(b) and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## 7. Payments in Respect of the Bonds

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

## 8. Interest

- (a) Each Initial Bond carries Interest at the Interest Rate from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.
- (b) Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- (d) If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) per cent. higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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

### **9.1 Redemption at maturity**

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

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

The Issuer may, subject to applicable law, at any time and at any price purchase Bonds on the market or in any other way. The Bonds held by the Issuer may at the Issuer's discretion be retained or sold but not cancelled.

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

- (a) The Issuer may redeem all, but not only some, of the outstanding Bonds in full:
- (i) any time from and including the First Issue Date to, but excluding, the date falling twenty-four (24) months after the First Issue Date at an amount per Bond equal to the sum of (i) 103.875 per cent. of the Nominal Amount, together with accrued but unpaid interest, and (ii) the remaining interest payments on or after the First Issue Date to, but excluding, the date falling twenty-four (24) months after the First Issue Date;
  - (ii) any time from and including the date falling twenty-four (24) months after the First Issue Date to, but excluding, the date falling thirty (30) months after the First Issue Date, at an amount per Bond equal to 103.875 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iii) any time from and including the date falling thirty (30) months after the First Issue Date to, but excluding, the date falling thirty-six (36) months after the First Issue Date, at an amount per Bond equal to 102.906 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (iv) any time from and including the date falling thirty-six (36) months after the First Issue Date to, but excluding, the date falling forty-two (42) months after the First Issue Date, at an amount per Bond equal to 101.938 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
  - (v) any time from and including the date falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date, at an amount per Bond equal to 100.969 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
  - (vi) notwithstanding the above, provided that the redemption is financed to at least seventy-five (75) per cent. by way of an issue of Debt Instruments, any time from and including the date falling forty-five (45) months after the First Issue Date to, but excluding, the Final Maturity Date, at an amount equal to one hundred point twenty-five (100.25) per cent. of the Nominal Amount together with accrued but unpaid Interest.



- (b) Redemption in accordance with Clause 9.3(a) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent. Upon expiry of such notice and the fulfillment of the conditions precedent (if any), the Issuer is bound to redeem the Bonds in full at the applicable amounts.
- (c) For the purpose of calculating the remaining interest payments pursuant to Clause 9.3(a)(i) it shall be assumed that the Interest Rate for the period from the relevant record date to, but excluding, the date falling twenty-four (24) months after the First Issue Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.

#### **9.4 Mandatory repurchase due to a Change of Control Event or Delisting (put option)**

- (a) Upon the occurrence of a Change of Control Event or Delisting, each Bondholder shall have the right to request that all, or some only, of its Bonds be repurchased at a price per Bond equal to one hundred and one (101) per cent. of the Nominal Amount together with accrued but unpaid Interest, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event or Delisting pursuant to Clause 11.1(f) (after which time period such rights lapse). However, such period may not start earlier than upon the occurrence of the Change of Control Event or Delisting.
- (b) The notice from the Issuer pursuant to Clause 11.1(f) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to Clause 11.1(f). The repurchase date must fall no later than forty (40) Business Days after the end of the period referred to in Clause 9.4(a).
- (c) The Issuer shall comply with the requirements of any applicable securities laws or regulations in connection with the repurchase of Bonds. To the extent that the provisions of such laws and regulations conflict with the provisions in this Clause 9.4, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Clause 9.4 by virtue of the conflict.
- (d) Any Bonds repurchased by the Issuer pursuant to this Clause 9.4 may at the Issuer's discretion be retained or sold, but not cancelled.

#### **10. Transaction Security**

- (a) As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants the Transaction Security to the Secured Parties as represented by the Security Agent on the terms set out in the Security Documents (to the fullest extent permitted by applicable law).

- (b) The Security Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. The Issuer shall, enter into the Security Documents and perfect the Transaction Security in accordance with the Security Documents.
- (c) Unless and until the Security Agent has received instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the Security Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Security Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling the Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents and provided that such agreements or actions are not detrimental to the interest of the Bondholders.
- (d) Notwithstanding the above, the Transaction Security may be released pursuant to, and in accordance with, Clauses 13.15(c) and 13.15(d).

## 11. Information to Bondholders

### 11.1 Information from the Issuer

- (a) The Issuer shall make the following information available in the English language by publication on the website of the Group:
  - (i) as soon as the same become available, but in any event within four (4) months after the end of each financial year (starting 2020), the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer, including a profit and loss account, a balance sheet, a cash flow statement and management commentary or report from the Issuer's board of directors; and
  - (ii) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, the quarterly unaudited consolidated reports or the year-end report (*Sw. bokslutskommuniké*) (as applicable) of the Group and the quarterly unaudited unconsolidated reports or the year-end report (as applicable) of the Issuer, in each case including a profit and loss account, a balance sheet, a cash flow statement and a management commentary or report from the Issuer's board of directors.
- (b) The Issuer shall, together with its quarterly unaudited consolidated reports or the year-end report (as applicable), publish a management commentary on the development during such financial quarter of Slättö Förvaltning and the funds Slättö Förvaltning is managing.
- (c) Any other information required by the Swedish Securities Markets Act (*Sw. lag (2007:528) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Bonds are admitted to trading.
- (d) When the Bonds have been listed on a Regulated Market:

- (i) the information set out in Clause 11.1(a) shall also be made available by way of press release; and
  - (ii) the reports referred to in Clause 10.1(a)(i) and Clause 11.1(a)(ii) shall be prepared in accordance with IFRS.
- (e) When the financial statements and other information are made available to the Bondholders pursuant to Clause 11.1(a), the Issuer shall send copies of such financial statements and other information to the Agent.
- (f) The Issuer shall promptly notify the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event or Delisting, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice. A notice regarding a Change of Control Event may be given in advance of the occurrence of a Change of Control Event, conditioned upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for a Change of Control Event.
- (g) The Issuer shall promptly notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- (h) The Issuer shall submit a duly executed Compliance Certificate to the Agent:
  - (i) in connection with the testing of the Incurrence Test;
  - (ii) in connection with that a Financial Report is made available;
  - (iii) at the Agent's request, within twenty (20) days from such request.
- (i) The Agent may assume that any information provided by the Issuer in the Compliance Certificate delivered pursuant to paragraph (h) above is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information.
- (j) The Issuer is only obliged to inform the Agent according to this Clause 11.1 if informing the Agent would not conflict with any applicable laws or, when the Bonds are listed, the Issuer's registration contract with the Regulated Market. If such a conflict would exist pursuant to the listing contract with the Regulated Market or otherwise, the Issuer shall however be obliged to either seek approval from the Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 11.1.

## 11.2 Information from the Agent

- (a) Subject to applicable laws, regulations and the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 11.2(b), the Agent is entitled to disclose to the Bondholders any event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information other than in respect of an Event of Default that has occurred and is continuing.
- (b) If a committee representing the Bondholders' interests under the Finance Documents has been appointed by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Bondholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

## 11.3 Publication of Finance Documents

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

## 12. Financial Undertakings

### 12.1 Maintenance Covenant

The Issuer shall ensure that:

- (a) the LTV Ratio is not greater than fifty (50) per cent.; and
- (b) if the LTV Ratio is greater than forty (40) per cent., the Minimum Liquidity Amount shall amount to at least the Minimum Coupon Amount.

### 12.2 Testing of the Maintenance Covenant

The Maintenance Covenant shall be calculated in accordance with the Accounting Principles applicable to the Issuer and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date. The first test date shall be 30 September 2020.

### 12.3 Incurrence Test

The Incurrence Test is met if:

- (a) when calculated in connection with a Restricted Payment, the LTV Ratio is not greater than thirty (30) per cent.;
- (b) when calculated otherwise, the LTV Ratio is not greater than forty (40) per cent.; and

- (c) no Event of Default is continuing or would occur upon the incurrence of Financial Indebtedness or the making of the Restricted Payment (as applicable).

#### **12.4 Testing of the Incurrence Test**

The LTV Ratio shall for the purpose of the Incurrence Test be calculated as follows (without double counting):

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than one month prior to the incurrence of the new Financial Indebtedness, the making of the Restricted Payment or the payment of principal under an Equity Bridge Loan (as applicable);
- (b) the transaction which requires that an Incurrence Test is made shall be included in the calculations on a *pro forma* basis; and
- (c) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness and exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt).

### **13. General Undertakings**

#### **13.1 General**

The Issuer undertakes to (and shall, where applicable, procure that each other Group Company will comply with the undertakings set out in this Clause 13 for as long as any Bonds remain outstanding.

#### **13.2 Restricted Payments**

- (a) The Issuer shall not, and shall procure that none of its Restricted Subsidiaries will:
  - (i) pay any dividend in respect of its shares;
  - (ii) repurchase or redeem any of its own shares;
  - (iii) redeem or reduce its share capital or other restricted or unrestricted equity with repayment to its shareholders;
  - (iv) pay interest under any Equity Bridge Loan incurred pursuant to paragraph (i) of the definition of Permitted Debt;
  - (v) repay any Shareholder Debt or pay any interest thereon;
  - (vi) make any prepayments or repayments under any long term debt ranking junior or *pari passu* with the Bonds;
  - (vii) make any payments of management fees or board fees to the direct or indirect shareholders of the Issuer; or
  - (viii) make any other similar distribution or transfers of value to any Person,

(paragraphs (i)-(viii) above are together and individually referred to as a "**Restricted Payment**").

- (b) Notwithstanding the above, a Restricted Payment may be made:
- (i) if made to the Issuer or a Restricted Subsidiary of the Issuer but, if made by a Restricted Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis; or
  - (ii) if:
    - (A) the Incurrence Test is met; and
    - (B) if, at the time of the payment, the aggregate amount of all Restricted Payments of the Group (other than payments permitted under paragraph (a) above) in any fiscal year (including the Restricted Payment in question) does not exceed SEK 25,000,000.

### 13.3 Listing

The Issuer shall ensure that:

- (a) the Initial Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, a different Regulated Market within 12 months after the First Issue Date;
- (b) any Subsequent Bonds are listed on the corporate bond list on Nasdaq Stockholm or if such admission to trading is not possible to obtain or maintain, on another Regulated Market, within 60 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the Initial Bonds have been listed, in such case such Subsequent Bonds shall be listed within 12 months after the First Issue Date); and
- (c) the Bonds, once admitted to trading on the corporate bond list of the relevant Regulated Market, continue to be listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

### 13.4 Nature of Business

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

### 13.5 Financial Indebtedness

The Issuer shall not, and shall procure that Slättö Förvaltning AB does not, incur any Financial Indebtedness, other than Permitted Debt.

### 13.6 Equity Bridge Loans

The Issuer shall not make any payments of principal on Equity Bridge Loans incurred pursuant to paragraph (i) of the definition Permitted Debt unless the Incurrence Test is met, provided

that the Issuer may always refinance such Equity Bridge Loans by way of incurrence of Shareholder Debt.

### 13.7 Disposal of Assets

- (a) The Issuer shall not sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or that Subsidiary's assets, or operations to any Person not being the Issuer or any of its wholly-owned Subsidiaries, unless the transaction (i) is carried out at fair market value and on arm's length terms and (ii) does not have a Material Adverse Effect.
- (b) The Issuer shall procure that Slättö Förvaltning AB and its Subsidiaries does not sell or otherwise dispose of shares in any Subsidiary or of all or substantially all of its or any Subsidiary's assets or operations to any person not being Slättö Förvaltning AB or any of Slättö Förvaltning AB's wholly-owned Subsidiaries unless the transaction (i) is carried out at fair market value and on arm's length terms and (ii) does not have a Material Adverse Effect.
- (c) No asset that is subject to Transaction Security may be disposed of.

### 13.8 Negative Pledge

- (a) The Issuer shall not, and shall procure that Slättö Förvaltning AB does not, provide, allow to subsist, prolong or renew any Security over any of its/their assets (present or future), other than any Permitted Security.
- (b) The Issuer shall not provide, allow to subsist, prolong or renew any security over its shares in Slättö Förvaltning AB, other than if such Security is granted as Transaction Security.

### 13.9 Loans out

The Issuer shall not, extend any loans in any form to any other party than (i) in the ordinary course of business, (ii) to a Group Company, (iii) to an associated entity (Sw. *intressebolag*) of the Issuer in a maximum amount not exceeding SEK 6,000,000 or (iv) to management in a Subsidiary or an associated entity for the purpose of funding incentive programs or share purchases (to the extent such incentive programs or share purchases are permitted pursuant to laws and regulations) in a maximum amount not exceeding SEK 10,000,000.

### 13.10 Mergers and demergers

The Issuer shall not, and shall procure that no Group Company, will enter into a merger or demerger unless:

- (a) such merger in between Group Companies; or
- (b) such merger or demerger is not likely to have a Material Adverse Effect.

### 13.11 Dealings at arm's length terms

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

### 13.12 Compliance with laws and authorisations

The Issuer shall, and shall make sure that each other Group Company will, (i) comply with all laws and regulations applicable from time to time and (ii), obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence or other permit required for the business carried out by a Group Company, in each case, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### 13.13 Insurance

The Issuer shall, and shall procure that the Restricted Subsidiaries will, maintain insurances with one or more reputable insurers on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.

### 13.14 Environmental

The Issuer shall, and shall ensure that each Group Company will, comply with all environmental laws and obtain, maintain and ensure compliance with all requisite environmental permits, if failure to do so has or is reasonably likely to have a Material Adverse Effect.

### 13.15 Minimum Securities Value

- (a) Subject to paragraph (b) below, the Issuer shall ensure that the Minimum Securities Value at all times amounts to no less than the Applicable Minimum Securities Value.
- (b) If the Minimum Securities Value amounts to less than the Applicable Minimum Securities Value, the Issuer shall, within ten (10) Business Days from the earlier of:
  - (i) the date when the Issuer becomes aware that the Minimum Securities Value amounts to less than the Applicable Minimum Securities Value; and
  - (ii) the date of delivery of the relevant Compliance Certificate, or the last day on which the Compliance Certificate should have been delivered pursuant to Clause 11.1(h), evidencing that the Minimum Securities Value amounts to less than the Applicable Minimum Securities Value,

procure that an amount of cash is deposited on a blocked account pledged in favour of the Bondholders and the Agent (the "**Deposited Cash**") sufficient to ensure that the aggregate of (A) the Minimum Securities Value and (B) the Deposited Cash amounts to no less than the Applicable Minimum Securities Value.

- (c) The Security Agent shall, upon the Issuer's request, release to the Issuer, Qualified Securities and/or Bonds standing to the credit of the Blocked Securities Account and/or Deposited Cash in an amount equal to the Release Amount, if the Minimum Securities Value amounts to no less than the Applicable Minimum Securities Value on two consecutive Reference Dates (as evidenced by Compliance Certificates delivered pursuant to Clause 11.1(h)) (the "**Relevant Reference Dates**").
- (d) Any dividends and distributions received by the Issuer with respect to any Qualified Securities, or any Interest received by the Issuer with respect to any Bonds, standing



to the credit of the Blocked Securities Account shall be released by the Security Agent to the Issuer upon the Issuer's request.

- (e) The Issuer may not submit a request for release of Deposited Cash, Qualified Securities, Bonds, dividends, distribution or Interest more than one time between two Reference Dates.

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

Each of the events or circumstances set out in this Clause 14 (other than Clause 14.12 (*Acceleration of the Bonds*)) is an Event of Default.

### **14.1 Non-Payment**

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

- (a) its failure to pay is caused by administrative or technical error and
- (b) payment is made within five (5) Business Days of the due date.

### **14.2 Maintenance Covenant**

The Issuer has failed to comply with the Maintenance Covenant.

### **14.3 Other Obligations**

- 14.4** A party (other than the Agent) fails to comply with the Finance Documents, in any other way than as set out in Clauses 14.1 (*Non-Payment*) or 14.2 (*Maintenance Covenant*), provided that no Event of Default will occur if the failure to comply is capable of being remedied and the Issuer or that party has remedied the failure within fifteen (15) Business Days of the earlier (i) the Issuer or that party becoming aware of the failure to comply and (ii) the Agent requesting the Issuer in writing to remedy such failure.

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

Any Financial Indebtedness of the Issuer or a Material Group Company is:

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

provided that no Event of Default will occur under this Clause 14.4 if (i) the aggregate amount of Financial Indebtedness that has fallen due is less than SEK 5,000,000 or (ii) it is owed to the Issuer or a Group Company.

## 14.6 Insolvency

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

## 14.7 Insolvency Proceedings

Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within 60 days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to Material Group Companies of the Issuer not being subject to Transaction Security, solvent liquidations) in relation to:

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

## 14.8 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer or any Material Group Company having an aggregate value of an amount equal to or exceeding SEK 5,000,000 and is not discharged within sixty (60) days.

## 14.9 Mergers and demergers

A decision is made that the Issuer or Slättö Förvaltning AB shall enter into a merger where they are not the surviving entity or that the Issuer or Slättö Förvaltning AB shall enter into a demerger.

## 14.10 Impossibility or Illegality

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

## 14.11 Continuation of the Business

The Issuer or any other Group Company ceases to carry on its business (other than (i) a solvent liquidation permitted pursuant to Clause 14.7 (*Insolvency Proceedings*) above or (ii) a disposal permitted under the Finance Documents), if such discontinuation is likely to have a Material Adverse Effect.

#### 14.12 Acceleration of the Bonds

- (a) Upon the occurrence of an Event of Default which is continuing, the Agent is entitled to, and shall following an instruction given pursuant to Clause 14.12(d), on behalf of the Bondholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Bonds due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- (b) The Agent may not accelerate the Bonds in accordance with Clause 14.12(a) by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Bondholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- (c) The Agent shall notify the Bondholders of an Event of Default within five (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, 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 Bonds shall be so accelerated. If the Agent decides not to accelerate the Bonds, the Agent shall promptly seek instructions from the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*). The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- (d) If the Bondholders (in accordance with these Terms and Conditions) instruct the Agent to accelerate the Bonds, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- (e) If the right to accelerate the Bonds is based upon a decision of a court of law or a government authority, it is not necessary that the decision has become enforceable under law or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- (f) In the event of an acceleration of the Bonds in accordance with this Clause 14.12, the Issuer shall up to, but excluding, the date falling twenty-four (24) months after the First Issue Date, redeem all Bonds at an amount per Bond equal to the Call Option Amount set out in Clause 9.3(a)(ii) and thereafter, as applicable considering when the acceleration occurs, redeem all Bonds at an amount per Bond equal to the Call Option Amount for the relevant period.

#### 15. Distribution of Proceeds

- (a) All payments by the Issuer relating to the Bonds and the Finance Documents following an acceleration of the Bonds in accordance with Clause 14 (*Events of Default and Acceleration of the Bonds*) and any proceeds received from an enforcement of the Transaction Security shall be distributed in the following order of priority:

- (i) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent (in its capacity as Agent and Security Agent) in accordance with the Agency Agreement (other than any indemnity given for liability against the Bondholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds, the enforcement of the Transaction Security or the protection of the Bondholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2(g), and (iv) any costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16(m);
- (ii) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (iii) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Bonds; and
- (iv) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

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

## 16. Decisions by Bondholders

- (a) A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- (b) Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a Person who is a Bondholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- (c) The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- (d) Only a Person who is, or who has been provided with a power of attorney or other authorisation pursuant to Clause 6 (*Right to Act on Behalf of a Bondholder*) from a Person who is, registered as a Bondholder:

- (i) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (ii) on the Business Day specified in the communication pursuant to Clause 18(c), in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- (e) The following matters shall require the consent of Bondholders representing at least sixty-six and two thirds ( $66 \frac{2}{3}$ ) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18(c):

- (i) the issue of any Subsequent Bonds, if the total nominal amount of the Bonds exceeds, or if such issue would cause the total nominal amount of the Bonds to at any time exceed, SEK 600,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Bonds are issued);
- (ii) a change to the terms of any of Clause 2(a), and Clauses 2(f) to 2(h);
- (iii) a reduction of the premium payable upon the redemption or repurchase of any Bond pursuant to Clause 9 (*Redemption and Repurchase of the Bonds*);
- (iv) a change to the Interest Rate or the Nominal Amount;
- (v) waive a breach of or amend an undertaking set out in Clause 13 (*General Undertakings*);
- (vi) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of Proceeds*);
- (vii) a change to the terms dealing with the requirements for Bondholders' consent set out in this Clause 16;
- (viii) a change of issuer, an extension of the tenor of the Bonds or any delay of the due date for payment of any principal or interest on the Bonds;
- (ix) a release of the Transaction Security created pursuant to the Security Documents except in accordance with the terms of the Security Documents;
- (x) a mandatory exchange of the Bonds for other securities; and
- (xi) early redemption of the Bonds, other than upon an acceleration of the Bonds pursuant to Clause 14 (*Events of Default and Acceleration of the Bonds*) or as otherwise permitted or required by these Terms and Conditions.

- (f) Any matter not covered by Clause 16(e) shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to

Clause 18(c). This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19(a)(i) or 19(a)(ii)), an acceleration of the Bonds or the enforcement of any Transaction Security.

(g) Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16(e), and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

(i) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or

(ii) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some, but not all, of the matters to be dealt with at a Bondholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

(h) If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 17(a)) or initiate a second Written Procedure (in accordance with Clause 18(a)), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16(g) shall not apply to such second Bondholders' Meeting or Written Procedure.

(i) Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

(j) A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

(k) The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

(l) A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.

(m) All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.

- (n) If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate.
- (o) Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the Group and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

## **17. Bondholders' Meeting**

- (a) The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons).
- (b) Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 17(a) with a copy to the Agent. After a request from the Bondholders pursuant to Clause 20.4(c), the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 17(a).
- (c) The notice pursuant to Clause 17(a) shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Bondholders) and (iv) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting. Should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in person.

## **18. Written Procedure**

- (a) The Agent shall instigate a Written Procedure (which may be conducted electronically) no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such Person who is registered as a Bondholder on the Business Day prior to the date on which the communication is sent.

- (b) Should the Issuer want to replace the Agent, it may send a communication in accordance with Clause 18(a) to each Bondholder with a copy to the Agent.
- (c) A communication pursuant to Clause 18(a) shall include (i) each request for a decision by the Bondholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Clause 18(a)). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- (d) The Bondholders' Meeting shall be held no earlier than fifteen (15) Business Days and no later than thirty (30) Business Days from the notice.
- (e) When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16(e) and 16(f) have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16(e) or 16(f), as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## 19. Amendments and Waivers

- (a) The Issuer and the Agent and/or the Security Agent (as applicable) (in each case acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the interest of the Bondholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*).
- (b) The consent of the Bondholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment or waiver.
- (c) The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 19(a), setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority, to the extent such registration is possible with the rules of the relevant CSD.



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

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

### **20.1 Appointment of the Agent and the Security Agent**

- (a) By subscribing for Bonds, each initial Bondholder appoints the Agent and the Security Agent to act as its agent and security agent (as applicable) in all matters relating to the Bonds and the Finance Documents, and authorises each of the Agent and the Security Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Bonds held by such Bondholder including any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security.
- (b) By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent and the Security Agent to act on its behalf, as set forth in Clause 20.1(a).
- (c) Each Bondholder shall immediately upon request provide the Agent and the Security Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. Neither the Agent nor the Security Agent is under any obligation to represent a Bondholder which does not comply with such request.
- (d) The Issuer shall promptly upon request provide the Agent and the Security Agent with any documents and other assistance (in form and substance satisfactory to the Agent or the Security Agent, as applicable), that the Agent or the Security Agent (as applicable) deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- (e) Each of the Agent and the Security Agent is entitled to fees for its respective work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's and the Security Agent's respective obligations as Agent and Security Agent (as applicable) under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- (f) Each of the Agent and the Security Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **20.2 Duties of the Agent and the Security Agent**

- (a) Each of the Agent and the Security Agent shall represent the Bondholders subject to and in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Bondholders and, where relevant, enforcing the Transaction Security on behalf of the Bondholders. Neither the Agent nor the Security Agent is responsible for the content,

valid execution, legal validity or enforceability of the Finance Documents or the perfection of the Transaction Security.

- (b) When acting in accordance with the Finance Documents, each of the Agent and the Security Agent is always acting with binding effect on behalf of the Bondholders. Each of the Agent and the Security Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.
- (c) Each of the Agent's and the Security Agent's duties under the Finance Documents are solely mechanical and administrative in nature and the Agent and the Security Agent only acts in accordance with the Finance Documents and upon instructions from the Bondholders, unless otherwise set out in the Finance Documents. In particular, neither the Agent nor the Security Agent is acting as an advisor (whether legal, financial or otherwise) to the Bondholders or any other Person.
- (d) Neither the Agent nor the Security Agent is obligated to assess or monitor the financial condition of the Issuer or compliance by the Issuer of the terms of the Finance Documents unless to the extent expressly set out in the Finance Documents, or to take any steps to ascertain whether any Event of Default (or any event that may lead to an Event of Default) has occurred. Until it has actual knowledge to the contrary, each of the Agent and the Security Agent is entitled to assume that no Event of Default (or any event that may lead to an Event of Default) has occurred.
- (e) Each of the Agent and the Security Agent is entitled to delegate its duties to other professional parties, but each of them shall remain liable for the actions of such parties under the Finance Documents.
- (f) Each of the Agent and the Security Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other Person, other than as explicitly stated in the Finance Documents.
- (g) Each of the Agent and the Security Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent and/or the Security Agent pay all costs for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Event of Default, (ii) a matter relating to the Issuer or the Finance Documents which the Agent and/or the Security Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents or (iii) in connection with any Bondholders' 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, or (v) as otherwise agreed between the Agent and/or the Security Agent and the Issuer. Any compensation for damages or other recoveries received by the Agent and/or the Security 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*).

- (h) Notwithstanding any other provision of the Finance Documents to the contrary, neither the Agent nor the Security Agent is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (i) If in the Agent's or Security Agent's (as applicable) reasonable opinion the cost, loss or liability which it may incur (including its respective reasonable fees) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, or the Bondholders (as applicable), the Agent or the Security Agent (as applicable) may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- (j) Unless it has actual knowledge to the contrary, each of the Agent and the Security Agent may assume that all information provided by or on behalf of the Issuer (including by its advisors) is correct, true and complete in all aspects.
- (k) Each of the Agent and the Security Agent shall give a notice to the Bondholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent or the Security Agent under the Finance Documents or (ii) if it refrains from acting for any reason described in Clause 20.2(i).

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

- (a) Neither the Agent nor the Security Agent will be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. Neither the Agent nor the Security Agent shall be responsible for indirect loss.
- (b) Neither the Agent nor the Security Agent shall be considered to have acted negligently if it has acted in accordance with advice addressed to it from or opinions of reputable external experts or if it has acted with reasonable care in a situation when it considers that it is detrimental to the interests of the Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- (c) Neither the Agent nor the Security Agent shall be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by it to the Bondholders, provided that it has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by it for that purpose.
- (d) Neither the Agent nor the Security Agent shall have any liability to the Bondholders for damage caused by it acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- (e) Any liability towards the Issuer which is incurred by the Agent or the Security Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Bondholders under the Finance Documents.
- (f) The Agent is not liable for information provided to the Bondholders by or on behalf of the Issuer or any other Person.

## 20.4 Replacement of the Agent and the Security Agent

- (a) Subject to Clause 20.4(f), each of the Agent and the Security Agent may resign by giving notice to the Issuer and the Bondholders, in which case the Bondholders shall appoint a successor Agent and/or the Security Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- (b) Subject to Clause 20.4(f), if the Agent and/or the Security Agent is Insolvent, the Agent and/or the Security Agent (as applicable) shall be deemed to resign as Agent and/or the Security Agent (as applicable) and the Issuer shall within ten (10) Business Days appoint a successor Agent and/or a successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (c) A Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a Person who is a Bondholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and/or the Security Agent and appointing a new Agent and/or the new Security Agent (as applicable). The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent and/or the Security Agent be dismissed and a new Agent and/or a new Security Agent (as applicable) be appointed.
- (d) If the Bondholders have not appointed a successor Agent and/or successor Security 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 and/or the Security Agent was dismissed through a decision by the Bondholders, the Issuer shall appoint a successor Agent and/or successor Security Agent (as applicable) which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- (e) The retiring Agent and/or the retiring Security Agent (as applicable) shall, at its own cost, make available to the successor Agent and/or the successor Security Agent (as applicable) such documents and records and provide such assistance as the successor Agent and/or successor Security Agent may reasonably request for the purposes of performing its functions as Agent and/or the Security Agent (as applicable) under the Finance Documents.
- (f) The Agent's and the Security Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and/or the successor Security Agent (as applicable) and acceptance by such successor Agent and/or the successor Security Agent (as applicable) of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent and/or the retiring Security Agent (as applicable).
- (g) Upon the appointment of a successor, the retiring Agent and/or the retiring Security 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 and/or the Security Agent (as applicable). Its successor, the Issuer and each of the Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent and/or the Security Agent.

- (h) In the event that there is a change of the Agent and/or the Security Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent and/or the new Security Agent may reasonably require for the purpose of vesting in such new Agent and/or the new Security Agent (as applicable) the rights, powers and obligation of the Agent and/or the Security Agent and releasing the retiring Agent and/or the retiring Security Agent (as applicable) from its respective further obligations under the Finance Documents. Unless the Issuer and the new Agent and/or the new Security Agent agrees otherwise, the new Agent and/or the new Security Agent shall be entitled to the same fees and the same indemnities as the retiring Agent and/or the retiring Security Agent (as applicable).

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

- (a) The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD regulations and the other regulations applicable to the Bonds.
- (b) The CSD may retire from its assignment or be dismissed by the Issuer provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder. The replacing CSD must be authorized to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorized as a central securities depository in accordance with the Financial Instruments Accounts Act.

## **22. Appointment and Replacement of the Issuing Agent**

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

## **23. No Direct Actions by Bondholders**

- (a) A Bondholder may not take any steps whatsoever against the Issuer or with respect to the Transaction Security to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the liabilities of the Issuer under the Finance Documents.

- (b) Clause 23(a) shall not apply if the Agent has been instructed by the Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 20.1(c)), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or by any reason described in Clause 20.2(i), such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 20.2(k) before a Bondholder may take any action referred to in Clause 23(a).
- (c) The provisions of Clause 23(a) shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 9.4 (*Mandatory repurchase due to a Change of Control Event or Delisting (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

## 24. Prescription

- (a) The right to receive repayment of the principal of the Bonds shall be prescribed and become void ten (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 Bondholders' right to receive payment has been prescribed and has become void.
- (b) If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, 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.

## 25. Notices and Press Releases

### 25.1 Notices

- (a) Any notice or other communication to be made under or in connection with the Finance Documents:
  - (i) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Sw. Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent from time to time;
  - (ii) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and
  - (iii) if to the Bondholders, shall be given at their addresses as registered with the CSD, on the Business Day prior to dispatch, and by either courier delivery (if

practically possible) or letter for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Group and the Agent.

- (b) Any notice or other communication made by one Person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or if between the Issuer and the Agent, by email, and will only be effective:
  - (i) in case of courier or personal delivery, when it has been left at the address specified in Clause 25.1(a);
  - (ii) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 25.1(a); or
  - (iii) in case of email, on the day of dispatch (unless a delivery failure message was received by the sender), save that any notice or other communication sent by email that is sent after 5.00 pm in the place of receipt shall be deemed only to become effective on the following day.
- (c) Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

## 25.2 Press releases

- (a) Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clauses 9.3 (*Voluntary total redemption (call option)*), 11.1(f), 14.12(c), 16(o), 17(a), 18(a) and 19(c) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- (b) In addition to Clause 25.2(a), if any information relating to the Bonds or the Group contained in a notice the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

## 26. Force Majeure and Limitation of Liability

- (a) None of the Agent, the Security Agent or the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent, the Security Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- (b) The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

- (c) Should a Force Majeure Event arise which prevents the Agent, the Security Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- (d) The provisions in this Clause 26 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## **27. Governing Law and Jurisdiction**

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



**ADDRESSES****ISSUER****Neptunia Invest AB (publ)**

Grev Turegatan 19

114 38 Stockholm

Sweden

Tel.: +46 771-650 200

**SOLE BOOKRUNNER****Arctic Securities AS, filial i Sverige**

Regeringsgatan 38

111 56 Stockholm

Sweden

**LEGAL COUNSEL****Roschier Advokatbyrå AB**

Brunkebergstorg 2

P.O. Box 7358

SE-103 90 Stockholm

Sweden

Tel.: +46 8 553 190 00

Fax: +46 8 553 190 01

**AGENT****Intertrust (Sweden) AB**

Sveavägen 9

111 57 Stockholm

Sweden

Tel.: 08-4027200

**AUDITOR****Ernst & Young AB**

Jakobsbergsgatan 24

111 44 Stockholm

Sweden

Tel.: +46 8 520 590 00

**CENTRAL SECURITIES DEPOSITORY****Euroclear Sweden AB**

Klarabergsviadukten 63

111 64 Stockholm

Sweden

Tel.: +46 8 402 90 00