

# **GOLDEN HEIGHTS AKTIEBOLAG (PUBL)**

## **PROSPECTUS REGARDING THE ADMISSION TO TRADING OF SEK 340,000,000 SENIOR SECURED FLOATING RATE NOTES**

**2021/2024**

**ISIN: SE0017105711**

**9 February 2022**



**Sole Bookrunner:**

**SEB**

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*This prospectus has been approved by the Swedish Financial Supervisory Authority on 9 February 2022 and is valid for a maximum of twelve (12) months from this date. The 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the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.*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 INFORMATION

This Prospectus (the "**Prospectus**") has been prepared by Golden Heights Aktieföretag (publ) (the "**Company**" or the "**Issuer**", or together with its subsidiaries (unless otherwise indicated by the context) the "**Group**"), a limited liability company incorporated in Sweden, reg. no. 556711-9648, in relation to the application for listing of notes issued under Issuer's SEK 340,000,000 senior secured floating rate notes 2021/2024, with ISIN SE0017105711 (the "**Notes**") of which SEK 340,000,000 was issued on 14 December 2021 (the "**First Issue Date**") in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**"), on the Corporate Bond List at Nasdaq Stockholm AB ("**Nasdaq Stockholm**") or another regulated market. The "**Sole Bookrunner**" means Skandinaviska Enskilda Banken AB (publ). "**Euroclear Sweden**" refers to Euroclear Sweden AB. "**SEK**" denote the lawful currency of Sweden and "**EUR**" denotes the single currency of the member states of the European Union that has the euro as its lawful currency in accordance with the legislation of the European Union relating to Economic and Monetary Union. Words and expressions defined in the Terms and Conditions of the Notes and which are included in the Terms and Conditions included in this Prospectus at pages 34 to 78 (inclusive) have the same meanings when used in this Prospectus, unless expressly stated or the context requires otherwise.

This Prospectus has been prepared in accordance with the standards and requirements of Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Regulation**"), supplemented by Commission Delegated Regulation (EU) 2019/979 and Commission Delegated Regulation (EU) 2019/980 (jointly, the "**Prospectus Regulations**"). This Prospectus has been approved by 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 standard of completeness, comprehensibility and consistency imposed by the Regulation. Such approval shall not be considered as an endorsement of the Issuer nor endorsement of the quality of the Notes that are subject to this Prospectus. This Prospectus has been prepared in English only and shall be read together with all documents which have been incorporated by reference (see "*Incorporation by reference*") and any supplements to this Prospectus. This Prospectus will be available at the SFSA's website ([www.fi.se](http://www.fi.se)) and the Issuer's website ([www.iduna.se](http://www.iduna.se)). Paper copies of the Prospectus may be obtained on request from the Issuer. This Prospectus is governed by Swedish law. Disputes concerning, or related to, the content of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional Prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdictions. Persons into whose possession this Prospectus may come are required to inform themselves about and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. Subject to certain exemptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**") or the securities laws of any state or other jurisdiction outside Sweden.

This Prospectus is not an offer to sell or a solicitation of an offer to purchase, nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would require preparation of a prospectus or any other offer document, or be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. None of the Company, the Sole Bookrunner or any of their representatives has taken or will take any action to permit the distribution of this Prospectus or a public offering in any such jurisdiction. Persons into whose possession this Prospectus are required to inform themselves about, and comply with, such restrictions, laws and regulations applicable at their own cost and expense. The distribution of this Prospectus and the private placement of the securities in certain jurisdictions may be restricted by law. No action has been or will be taken to permit a public offering in any jurisdiction. Persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions.

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.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer's or the Group's business since the date of this Prospectus. If the information in this Prospectus becomes subject to any material change, such material change will be made public in accordance with the provisions governing the publication of supplements to prospectuses in the Regulation.

The Notes may not be a suitable investment for all investors and each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should: (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; (iv) understand thoroughly the Terms and Conditions and be familiar with the behaviour of any relevant financial markets; and (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Prospectus contains certain forward-looking statements that reflect the Issuer's current views or expectations with respect to future events and financial and operational performance. The words "*intends*", "*estimate*", "*expect*", "*may*", "*plan*", "*anticipate*", "*considers*" or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward looking statement. Factors that could cause the Issuer's and Group's actual business, results of operations and financial position to differ from the forward-looking statements include, but are not limited to, those described in the section "*Risk factors*" below. The forward-looking statements included in this Prospectus apply only to the date of the Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer behalf is subject to the reservations in or referred to in this section.

The Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which the Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources, no information has been omitted in such a way as to render the information reproduced incorrect or misleading. In addition to the above, certain data in the Prospectus is also derived from estimates made by the Issuer.

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## **RISK FACTORS**

*The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Notes in order to make an informed investment decision. The below risk factors are therefore limited to risks that, in the meaning of the Prospectus Regulations, are material and specific, to the Issuer and its subsidiaries (the "**Subsidiaries**"), and the Notes.*

*The manner in which the Group and the Notes are affected by each risk factor is illustrated below under each described risk by way of evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected extent of its negative impact should the risk occur. The probability of a risk occurring is estimated as "low", "medium" or "high" and the extent of the negative impact if it would occur is estimated as "low", "medium" or "high". The most material risk factor in a category set forth below is presented first under such category, whereas subsequent risk factors in the same category are not ranked in order of materiality.*

*Notwithstanding of whether the Group has estimated the probability of a risk factor occurring or the expected extent of such risk factors impact as "low", "medium" or "high", all risk factors included in this section have been assessed by the Issuer to be material and specific to the Group and the Notes, as applicable, in accordance with the Prospectus Regulations.*

### **Risks relating to the Issuer, the Group and the market**

#### **Market and commercial risks**

*The Group's business is subject to risks relating to factors affecting the prices of metals and gems necessary for the production of the Group's products*

A significant part of the Group's sales is attributable to the sale of products made from precious metals (mainly silver and gold), various alloys, diamonds, other precious and semi-precious stones, pearls and other raw materials. Approximately 85 per cent of the Group's sales is attributable to the sale of products made from precious metals and gems. In 2019 the sales of such products amounted to MSEK 1,433 and in 2020 to MSEK 1,360. The Group's costs in acquiring products, and profits for its sales, are directly linked to the price the Group pays for such raw materials. The price of precious metals and gems are volatile and changes over time. The average 30-day volatility of the price per ounce has on average been 13 per cent for gold and 24 per cent for silver since 2015. The price of precious metals and gems is affected by numerous unpredictable factors, such as high volatility, changes in supply and demand relationships, political instability, catastrophic events, pandemics, changes in governmental policies, actions and inactions of actors in the supply chain (including those related to the Kimberley Process, an intergovernmental agreement for the international trading of rough diamonds), as well as price changes due to developments in financial markets and trade relations. Under 2020, which was impacted by the Covid-19 pandemic and subsequent governmental measures related thereto, the average 30-day price volatility for gold was approximately 18 per cent, compared to 14 per cent during the period from 1 January to 9 November 2021, and the average 30-day price volatility for silver was 40 per cent, compared to 27 per cent the period from 1 January to 9 November 2021. In August 2020, the price of gold reached an all-time high of USD 2,067 an ounce. In October 2021, gold traded at around USD 1,800 an ounce. Historically, over the last 50 years, the gold price in USD has increased on average 8.6 per cent per year and may increase in the future. Factors affecting the price of raw materials purchased by the Group are beyond the Group's control and cannot be predicted by the Group.

If the Group's suppliers' access to, or cost of, purchasing certain quality raw materials is adversely affected, the Group may have to pay more for such raw materials. Any adverse changes may increase the Group's costs require the Group to pay more to its suppliers and increase the prices that the Group charges its customers for the Group's products, which may lead to a decrease in consumer demand. This may lead to increased costs and/or have an adverse effect on the Group's sales and thus its results of operations.

The Group considers that the probability of the above risks occurring is *high*. If any of these risks would materialise, the Group considers their potential negative impact to be *medium*.

*Changes to macroeconomic factors may negatively affect consumer spending habits and supplier's businesses and in turn affect the Group's business*

The Group is affected by general international, regional and national economic conditions in particular the macroeconomic development, which adversely impact consumers' willingness to consume luxury goods such as jewellery and watches. Macroeconomic factors which may affect the rate of consumption of such goods are for example employment rates, levels of disposable income, levels of consumer debt and access to consumer credit, inflation and interest rates. All such factors are beyond the control of the Group.

Macroeconomic factors can cause market turbulence, as seen during the Covid-19 pandemic, and downturns in the global economy adversely affecting the financial position of the Group's suppliers as well as the consumer's willingness to buy jewellery. Macroeconomic factors may also impact suppliers' ability to carry out business with the Group as well as have an adverse effect on end-consumer trends and consumer traffic in the markets in which the Group operates.

Consumer purchases of discretionary items, such as the Group's products, tend to decline during recessions when disposable income is lower and access to consumer credit may be limited. In Sweden, sales of jewellery will generally follow GDP development. However, such sales will generally grow at a higher rate, and decline at a lower rate, than the corresponding increase or decline of GDP. In 2020, the Swedish GDP decreased by -2.8 per cent, while the jewellery market decreased by -0.9 per cent (Jewellery in Sweden - Euromonitor International June 2021, Statistics Sweden (Sw. *Statistiska Centralbyrån*)), however the sales of the Group decreased by -4.6 per cent during the same period from MSEK 1,686 in 2019 to MSEK 1,601 in 2020.

Deterioration in the global economy could result in a corresponding decline in demand for the Group's products, which would have an adverse effect on the Group's sales and its results of operations.

The Group considers that the probability of the above risks occurring is *medium*. If any of these risks would materialise, the Group considers their potential negative impact to be *low*.

*The Group operates in a highly competitive market requiring the Group to continue to develop its business in order to remain successful within existing market segments*

The retail jewellery market in which the Group operates is highly competitive and fragmented. Jewellery retailers in the industry compete by, for example, price, availability, innovations, design and quality of goods, but also other factors such as production ability, up-to-date designs and market penetration. The Group has a number of competitors across different product categories, segments and geographic markets. For example, the Group competes with other national jewellery chains as well as independent regional and local jewellery retailers and other types of retailers who sell jewellery and gift items, such as department stores and mass merchandisers.

The Group is the largest fine jewellery retailer in Sweden, and, together with its costume jewellery segment, the Group estimates its market share to be 29 per cent of the Swedish jewellery market as per 2020, based on the total size of the Swedish jewellery market and the Group's sales 2020. Notable competitors are the buying group Smycka, with primary focus on fine jewellery, and Ur&Penn and Glitter, with primary focus on costume jewellery. In Finland, the Group estimates its market share to be approximately 17 per cent as per 2021. Notable competitors are the buying group Timanttiset and the retail chain Laatukoru, whose primary focus is on fine jewellery, as well as Glitter, with primary focus on costume jewellery. The Group also competes with e-commerce retailers of jewellery that may offer customers a higher availability and product range than the Group's physical stores. Notable e-commerce competitors are Vanbruun and Safira. The e-commerce sector has shown higher growth and e-commerce retailers may thereby increase their market share of the overall market for jewellery. The Group's e-commerce accounts for approximately 7-8 per cent of the Group's sales and the Group has seen a growth of its e-commerce with approximately 24 per cent per year since 2014.

Failure to successfully compete on price, product range, quality and service could have an adverse effect on the Group's business, its sales and results of operations.

The Group considers that the probability of the above risks occurring is *low*. If any of these risks would materialise, the Group considers their potential negative impact to be *medium*.

*The Group is subject to risks relating to consumer's ability to obtain credit for purchase of the Group's products*

A portion of the Group's customers rely on financing provided from credit providers to purchase the Group's products. The Group currently has arrangements with Resurs Bank AB (for stores) and Klarna AB (for e-commerce) to facilitate such credits. Through the arrangement with Resurs Bank AB, credit sales, at stores within the Group amounted to approximately MSEK 51.7 in 2020 representing 3 per cent of the sales of the Group. Online credit sales through Klarna, is estimated to amount to approximately MSEK 61.8. The availability of credit to customers is impacted by numerous factors, including general economic conditions and regulatory requirements relating to the extension of credit. Such factors are beyond the control of the Group. Any disruption in, or changes to, the Group's arrangements with third party credit providers or introduction of new regulations or changes in the application of current laws may impact the availability of credit to the Group's customers. The increasing overall debt level of consumers within the Group's business area may result in a decrease in availability of consumer credit, as well as an increased risk of regulatory measures regarding consumer credits. If the amount of available credit provided to customers is significantly restricted it would result in a decrease in the sales of the Group's which would have a negative effect on the Group's sales and results of operations.

The Group considers that the probability of the above risks occurring is *medium*. If any of these risks would materialise, the Group considers their potential negative impact to be *low*.

### **Strategic and operational risks**

#### *The Group's ability to attract and retain talented employees*

It is important for the Group's future business activities and development that it is able to retain and continue to motivate, as well as being able to recruit and utilise qualified and suitable, employees and consultants with valuable knowledge about the Group's business. In 2019 the Group had 938 employees, which decreased in 2020 to 846 employees. The decrease in employees during 2020 is primarily a result of the Covid-19 pandemic and action taken by the Group to reduce its costs. Members of the Group's executive management team or other key employees may decide to leave the Group and it may be difficult to attract and retain qualified key employees and other employees with the required expertise. The human resource risk is not only applicable to key personnel in the Group. It is important for the Group that employees in customer service and sales have knowledge in diamonds, gold and silver jewellery, costume jewellery and gift items, which may narrow the scope of potential new recruits. The Group is specifically dependent on its ability to retain its current, and to recruit new product developers to be able to develop future products and product lines. If the Group is unable to retain or recruit suitable employees and executives it could adversely impact its ability to develop new products and to sell them to the end customer which could have an adverse effect on the Group's sales and results of operations.

The Group considers that the probability of the above risks occurring is *medium*. If any of these risks would materialise, the Group considers their potential negative impact to be *medium*.

#### *The Group's failure to stay updated in regards of consumer demands and trends in fashion etc could lead to missed sales opportunities for the Group*

The market for costume jewellery is characterised by rapidly changing consumer tastes and demands, while consumer tastes and demands in the fine jewellery market are more stable. The Group's largest business segment relates to fine jewellery, representing approximately 85 per cent of the Group's sales. Sales of costume jewellery represents approximately 3 per cent of the Group's sales. The Group's costs for its product development departments amounted in 2018 to approximately MSEK 25.7, 2019 to approximately MSEK 27.4 and 2020 to approximately MSEK 16.9. The development and launch of new products and collections will normally take about 2-4 months. Discovering, purchasing and launching new product lines or collections and, where applicable, discontinuing others can have substantial lead times, posing a risk that the Group will be unable to take such action within the desired time. To do this successfully, the Group needs to predict future areas of demand, the future capabilities of its competitors and identify and monitor trends in fashion and jewellery preferences, changes in consumer tastes and consumer spending patterns. Furthermore, it is important for the Group to collaborate with external designers and spokespersons, such as influencers, in order to be able to offer jewellery requested by consumers at the given time. Failure in such predictions or failure in the supply chain to respond in a timely fashion could result in an unsuccessful market strategy and excess inventory, resulting in higher costs and decreased sales, which would in turn have a negative effect on the results of operation of the Group.

The Group considers that the probability of the above risks occurring is *medium*. If any of these risks would materialise, the Group considers their potential negative impact to be *medium*.

### *Risks relating to business interruption or failure of business support systems*

The Group is dependent on the suitability, reliability and durability of its IT-systems procedures and software, including its accounting, payments, e-commerce, information technology, point-of-Sale infrastructure, data protection, security, warehousing and distribution systems. The most material IT-systems for the Group's business constitute for example of its accounting and business IT-system. Furthermore, the Group uses specially developed software with algorithms that forecasts the demand for its products and optimises the Group's stock. In addition, it is of importance for the Group to be able to maintain a functional payment system, in order for the Group to conduct its sales business in stores and online. Some of the Group's IT-systems are managed by third parties, such as systems for payment with credit and debit cards. The secure operation of these systems is critical to the Group's business operations and strategy. Such systems may be vulnerable to damage, disruptions or shutdowns due to attacks by hackers, technological break-downs or breaches due to employee error or malfeasance, or other disruptions during the process of upgrading or replacing computer software or hardware, power outages, computer viruses, telecommunication or utility failures or natural disasters or other catastrophic events. Furthermore, there is a risk that the IT-systems utilised by the Group do not function as intended, which could result in increased costs and/or decreased sales, which would have a negative effect on the results of the Group.

If these systems and procedures are disrupted either by security breaches, cessation of critical externally supplied support or other force majeure events it could prevent the Group from conducting its business or providing adequate support and services to its customers, which could result in lower sales and increased costs and it could compromise the Group's, its customers' and its suppliers' information, exposing the Group to liability which would cause the Group's business and reputation to suffer. As regards the Group's risks relating to failure to properly protect personal data and other confidential information, see risk factor "*The Group is subject to an increasing body of data protection regulation*" below. If these disruptions were to continue for any length of time they may increase the Group's costs as well as adversely affect the Group's sales, and thus its results of operations. Disruptions to the Group's systems and procedures might force the Group to go through costly processes in order to change external system suppliers.

The Group considers that the probability of the above risks occurring is *low*. If any of these risks would materialise, the Group considers their potential negative impact to be *medium*.

### *Influence of the sole shareholder*

Sten Warborn indirectly controls all of the outstanding shares in the Issuer. The large shareholding leads to an essential influence and control over the Group. His control over the Group and the corresponding risk is further enhanced by Sten Warborn being the chairman of the board of the Issuer and the Parent. As sole shareholder, Sten Warborn has legal power to control a large amount of the matters to be decided by vote at a shareholders' meeting. For example, the election of the board of directors, thus influencing its direction of the Group's operations and other affairs. The business within the Group may be negatively affected if Sten Warborn for any reason cannot, or wish not, continue to act as an active owner of the Group or adopts decisions in his sole discretion which have a negative impact on the business and operations of the Group. In addition, there is nothing that prevents Sten Warborn from acquiring businesses that directly compete with the Group. If such an event were to arise this may adversely impact the Group's business and results of operations.

There is currently no succession plan in place in case of Sten Warborn's demise or retirement. The lack of a succession plan may pose a risk to the operations of the Group's as it could result in the Group being unable to adopt crucial business decisions in the short term, which in turn would have a material adverse effect on the business and operation of the Group.

The Group considers that the probability of any of the above risks occurring is *low*. If the risks would materialise, the Group considers their potential negative impact to be *medium*.

*The Group is dependent on its relationships with suppliers' and any factors affecting such relationships negatively could affect the Group's ability to conduct its business*

The Group uses a large number of suppliers, 296 as per 2020. The ten largest suppliers account for approximately 40 per cent of cost of goods sold by the Group in 2020. A significant number of suppliers are based and operate in emerging markets, primarily India. Among the Group's ten largest suppliers, approximately 39 per cent of total cost of goods sold per 2020 were sourced from suppliers based in India with the remaining 61 per cent based in Europe. If suppliers would stop working with the Group or if any supplier would be unable to supply goods or services for any other reason (including social, political, regulatory or economic reasons commonly associated with developing economies) and the Group is unable to adequately replace such supplier or ensure continued product quality and on terms and conditions favourable to the Group, which would result in increased costs and a decline in the reputation and sales of the Group, it could have an adverse effect on the Group's business and result of operations.

The Group considers that the probability of the above risks occurring is *low*. If these risks would materialise, the Group considers their potential negative impact to be *low*.

*The Group is dependent on its ability to operate stores in attractive locations and consumer traffic*

The Group is dependent on its ability to operate stores in attractive locations which, together with capital investment and lease costs, allow it to earn a reasonable return on its locations. As of 30 September 2021, the Group operated 259 stores, which sales accounted for approximately 92-93 per cent of the Group's sales. The Group depends on the leasing market and its landlords to determine supply, demand, lease costs and operating costs. The lease costs for stores for the year 2018 were approximately MSEK 144, for the year 2019 were approximately MSEK 138.5 and for the year 2020 approximately MSEK 121.6. The Group cannot be certain as to when or whether attractive store locations will become or remain available to the Group at reasonable lease and operating costs or whether retail locations from which the Group currently operates will continue to be sufficiently popular. The Group is dependent upon maintaining good relations with its landlords in order to obtain and retain store locations on optimal terms. In connection with the expiry of lease contracts, the Group negotiates new terms with its landlords and if agreements cannot be achieved the Group may leave the premises, forcing the Group to close down the relevant store, which in turn would result in decreased sales and have a negative impact on the Group's results of operations.

Group's stores located in shopping centres benefit from the availability of "anchor" retail tenants and other attractions, to generate sufficient levels of consumer traffic in the vicinity of these stores. The Covid-19 pandemic has led to decrease in the volume of consumer traffic at shopping centres, which especially if it is sustained for a considerable period of time, could result in reduced sales at the Group's stores and excess inventory which could have an adverse effect on the Group's sales and its results of operation. During 2020, largely due to the Covid-19 pandemic, the sales at comparable stores were reduced with 4.6 per cent. In addition, any financial weakness on the part of the Group's landlords could adversely impact the Group in a number of ways, including decreased marketing by the landlords and the loss of other tenants that generate consumer traffic.

The Group considers that the probability of the above risks occurring is *low*. If any of these risks would materialise, the Group considers their potential negative impact to be *low*.

## **Financial risks**

### *Refinancing and liquidity risk*

Liquidity and refinancing risk refer to the risk that financing opportunities will be limited when the Notes or other loans made available to the Group, including under the Credit Agreement, or other financial liabilities, are to be refinanced or paid, and that payment commitments cannot be met as a result of insufficient liquidity. The Group's operations are partly financed by way of external interest bearing bank loans. During Q3 2021 the Group had an available liquidity of MSEK 495, consisting of cash and cash equivalents corresponding to MSEK 270 and undrawn credit facilities of MSEK 225. As of Q3 2021 the Group's short term liabilities amounted to approximately MSEK 860, out of which MSEK 340 referred to the Company's at that time outstanding bond (ISIN: SE0010599498), MSEK 394.7 other operating liabilities and MSEK 124.9 leasing debt.

The Group may not be able to obtain access to financing at all or only on unfavourable terms. In order to enable business acquisitions or reach strategic goals, further financial resources may be required for the Group's future operations. The Group's ability to meet its future capital needs is highly dependent on the sale of the Group's products being successful. The availability of capital is dependent on a variety of factors, such as market conditions and general credit availability within the financial markets. If access to capital which is required to operate its business or to refinance the Group's financial liabilities were to become limited it may adversely affect the Group's liquidity and financial position.

The Group considers that the probability of the above risks occurring is *low*. If any of these risks would materialise, the Group considers their potential negative impact to be *high*.

### *Currency exchange risk*

Currency risk refers to the risk that unfavourable fluctuations in currency exchange rates will have a negative impact on cash flows, income statement and/or balance sheet of the Group. The Group's accounts are consolidated in SEK but certain operating costs and income are denominated in other currencies, primarily EUR. In 2020, the Group's sales were made to 75 per cent in SEK and 25 per cent in EUR. The Group purchases a substantial portion of its products from suppliers who price their products in primarily SEK, EUR and USD. Currency exchange rate fluctuations could make raw materials, products and labour more expensive, resulting in higher costs and decreased margins for the Group's products. A change in the currency exchange rate of USD with 1 per cent against SEK, would increase the Group's purchasing costs of products with approximately MSEK 3.5. Furthermore, financial instruments held within the Group can be denominated in foreign currencies and the value of the financial instruments can fluctuate due to changes in foreign exchange rates.

The Group is therefore exposed to currency risk if unfavourable fluctuations in currency exchange rates primarily between SEK and EUR against other currencies were to occur, resulting in a negative impact on cash flows, income statements and/or balance sheet of the Group. The Group does not currently hedge any currency risks that might arise from its operational cash flows in foreign currencies. Therefore, in respect of its exposure to any currency risk, unfavourable fluctuations in exchange rates for relevant foreign currencies may increase the Group's costs and adversely affect the Group's financial position.

The Group considers that the probability of the above risks occurring is *medium*. If any of these risks would materialise, the Group considers their potential negative impact to be *medium*.

### *Interest rate risk*

Interest rate risk refers to the risk that changes in interest rates will affect the Group's expenses as well as future cash flows from financial instruments held within the Group. In the longer term, changes in interest rates charged on the Group's borrowings or applicable to financial instruments held within the Group may be subject to changes in the market rates of interest and any increase in such interest rates may increase the Group's interest payments and any decrease may decrease cash flows from financial instruments held within the Group, which thus may adversely affect the Group's business, results of operations and financial position. A change of the interest rates payable by the Group of 0.25 per cent, would affect the Group's net financial items with approximately MSEK 0.9. During 2020 the Group's interest payments amounted to MSEK 32.5.

The Group considers that the probability of the above risks occurring is *high*. If any of these risks would materialise, the Group considers their potential negative impact to be *low*.

### **Legal and compliance risks**

#### *The Group is subject to an increasing body of data protection regulations*

As part of its operations, and in order to fulfil its obligations under various laws and regulations, the Group collects and retains personal data relating to its employees, customer loyalty programmes and customers. As of 30 September 2021, the Group processed the personal data of approximately 2.5 million customers through its various customer loyalty programmes. Such processing is subject to data protection regulations (in particular, the General Data Protection Regulation (679/2016) (the "**GDPR**")). The Group processes a large amount, and different types, of personal information. There is a risk that, due to, for example, errors by employees or failures of internal or external systems, such personal information is subject to unauthorised disclosure, is lost or otherwise is processed in a way which is non-compliant with the GDPR and other data protection regulations. Furthermore, key personnel responsible for data protection issues may on short notice become unavailable for longer period of time, which entails a lack of relevant competence regarding data protection issues during a shorter time period. Any significant administrative and monetary sanctions (including fines up to MEUR 20 or 4 per cent of the Group's global annual turnover) or reputational damage due to incorrect implementation or breaches of the GDPR would result in an increase of the Group's costs and have a material adverse effect on the Group's reputation, business and result of operations.

The Group considers that the probability of the above risks occurring is *low*. If any of these risks would materialise, the Group considers their potential negative impact to be *medium*.

*The Group is subject to anti-money laundering regulations*

As a dealer in jewellery and precious metals, the Group is subject to the Money Laundering and Terrorist Financing (Prevention) Acts in Sweden and Finland (In Sweden - *lagen (2017:630) om åtgärder mot penningtvätt och finansiering av terrorism*) and in Finland *lag om förhindrande av penningtvätt och av finansiering av terrorism (444/2017)* in connection with receiving cash payments of EUR 5,000 (in Sweden) and EUR 10,000 (in Finland) or more. The Money Laundering and Terrorist Financing (Prevention) Acts sets out requirements relating to *inter alia* know-your-customer checks and reporting of suspicious transactions to law enforcement authorities, which requires the Group to take measures in order to be compliant with the anti-money laundry legislation. The Group has implemented anti-money laundry policies and measures, however, there is a risk that such policies and measures are insufficient or not adhered to by employees, that inadequate internal controls are performed of whether such policies and measures are adhered to and/or that the Group's implementation of anti-money-laundry policies or measures is not compliant with the Money Laundering and Terrorist Financing (Prevention) Acts. Failure to comply with the applicable rules and regulations by the Group could result in legal implications. Any significant administrative and monetary sanctions (including fines which are limited to the highest of either two times the profit made because of the non-compliance (if possible to determine) or a sum of MEUR 1; or companies within the Group being ordered to cease or restrict its operations) or reputational damage due to breaches of the Money Laundering and Terrorist Financing (Prevention) Acts could increase the Group's costs and have a material adverse effect on the Group's reputation and, as a result, a material adverse effect on the Group's business and result of operations.

The Group considers that the probability of the above risks occurring is *low*. If any of these risks would materialise, the Group considers their potential negative impact to be *medium*.

*The Group is exposed to risks relation to its intellectual property rights*

As of 30 September 2021, the Group has 39 trademarks registered. As of 31 December 2020, the Group's trademarks were valued at approximately MSEK 105.1. Hence, the trademarks and other intellectual property are a significant part of the Issuer's operations and business and the Group is dependent on its ability to maintain and protect its intellectual property. Although the Group may be able to register and maintain the registration of its intellectual property, there is a risk that third parties infringe on the Group's intellectual property rights. Such infringement could result in a devaluation of the Group's intellectual property rights and in the trademarks of the Group being associated with products which do not meet the quality requirements of the Group. In addition, third parties could challenge the validity of the Group's trademarks. The regulation connected to the protection of intellectual properties is complex and the enforcement actions under such regulations could prove ineffective in protecting the intellectual property rights of the Group. Any infringement of the Group's intellectual property rights or inability of the Group to protect such intellectual property right would have an adverse effect on the Group's reputation and financial position.

The Group considers that the probability of the above risks occurring is *low*. If any of these risks would materialise, the Group considers their potential negative impact to be *low*.

## **Risks relating to the Notes**

### *The claims of Noteholders are structurally subordinated*

The Issuer's operations are conducted through subsidiaries and other companies within the Group. Accordingly, the Issuer is dependent on the operations of other companies within the Group to service its payment obligations in respect of the Notes. The Notes are structurally subordinated to the claims of all creditors, including trade creditors, of the subsidiaries. The Notes will not be guaranteed by any of the Issuer's subsidiaries. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any of the subsidiaries or other companies within the Group, unsecured creditors of such companies, secured creditors and obligations that may be preferred by provisions of law that are mandatory and of general application will generally have the right to be paid in full before any distribution is made to the Issuer. Hence, there is a risk that a Noteholder loses part of or its entire investment in the Notes, should the Issuer, or any subsidiary or other company within the Group, experience difficulties with meeting its financial obligations through an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business.

The Group considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Group considers the potential negative impact to be *low*.

### *Credit risk*

Investors in the Notes assume a credit risk towards the Group. A potential investor should assess credit risks associated with the Issuer as well as the credit risk of the Notes. Neither the Issuer, nor the Notes, have a credit rating from a credit rating institute. The payments to Noteholders under the Terms and Conditions are dependent on the Issuer's ability to meet its payment obligations and its financial position, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's operations and financial position are affected by several factors, some of which have been mentioned above. If the Issuer's financial position should decline, there is a risk that the Issuer will not be able to fulfil its obligations under the Notes. A decrease in the Issuer's creditworthiness could also lead to a decrease in the market value of the Notes, which could have an adverse effect on the value of the Notes.

The Group considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Group considers the potential negative impact to be *low*.

## **Risks related to the structure of particular Notes**

### *Risks related to optional redemption of the Notes*

Under the Terms and Conditions of the Notes, the Issuer has reserved the right to redeem all of the outstanding Notes before the final maturity date under certain circumstances. An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Where Notes are subject to redemption at the option of the Issuer, holders of Notes do not have any right to require the Issuer to exercise any such optional redemption feature and should not invest in the Notes in the expectation that any early redemption option will be exercised by the Issuer. There is a risk that the market value of the Notes is higher than the amount received at redemption and that it is not possible for Noteholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Notes and may only be able to do so at a significantly lower rate. Accordingly, this presents a significant risk for a single Noteholder.

The Group considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Group considers the potential negative impact to be *low*.

### **Risk relating to the admission of the Notes to trading**

*There is no active trading market for the Notes and an established trading market for the Notes may not develop*

Pursuant to the Terms and Conditions, the Issuer shall use its best efforts (without assuming any legal or contractual obligation) to apply for the Notes to be admitted to trading on the corporate bond list of Nasdaq Stockholm (or another Regulated Market) but there is a risk that such application will not be accepted or that the Notes will not be so admitted. A failure to obtain such listing risk having a negative impact on the market value of the Notes.

Prior to any admission to trading, there has been no public market for the Notes. Even if a listing will occur, there is a risk that an active trading market for the Notes will not evolve or, if evolved, will not be sustained. The nominal amount of the Notes may not be indicative of their market value after being admitted for trading on Nasdaq Stockholm (or another Regulated Market). Furthermore, following a listing of the Notes, the liquidity and trading price of the Notes may vary substantially as a result of numerous factors, including market fluctuations and general economic conditions and irrespective of the performance of the Issuer and the Group. Notes may be acquired by Group Companies and subsequently, if held by the Issuer be cancelled. The degree to which the liquidity and the trading price of the Notes may vary is uncertain, and risks leading to the Noteholders not recovering their investments in the Notes. In addition, transaction costs in any secondary market may be high, which also presents a risk to the Noteholders not recovering their investments in the Notes.

Therefore, Noteholders may not be able to sell their Notes at the desired time or at a price level that will provide them with a yield comparable to similar investments that have a developed secondary market. Accordingly, the purchase of Notes is suitable only for Noteholders who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes. The degree to which the market value of the Notes may vary is uncertain, and presents a risk for Noteholders' investment in the Notes.

Further, if the Issuer fails to procure listing in time, Noteholders holding Notes on an investment savings account in Sweden (Sw. *investeringssparkonto*) will no longer be able to hold the Notes on such account and, thus, presents a risk to such Noteholder's tax situation.

The Group considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Group considers the potential negative impact to be *low*.

## THE NOTES IN BRIEF

*This section contains a summary description of the Notes and the Terms and Conditions of the Notes. This summary does not claim to be comprehensive or cover all details of the Notes. Hence, potential investors should carefully consider the Prospectus as a whole, including the documents incorporated by reference and the full Terms and Conditions set forth in the section "Terms and Conditions for the Notes" below, before a decision is made to invest in the Notes.*

*Concepts and terms defined in section "Terms and Conditions for the Notes" are used with the same meaning in this section unless otherwise explicitly understood from the context or otherwise defined in this Prospectus.*

### General

#### **Issuer**

The issuer of the Notes is Golden Heights Aktiebolag (publ), a public limited liability company incorporated under the laws of Sweden with reg. no. 556711-9648 (the "**Company**").

#### **Resolutions, authorisations and approvals**

The issuance of up to SEK 600,000,000 in aggregate nominal amount of secured floating Notes due 2024 was authorised by resolutions taken by the board of directors of the Issuer on 16 November 2021.

#### **The Notes offered**

The Notes are senior secured floating rate notes due 2024. As at the date of this Prospectus, an aggregate amount of Notes of SEK 340,000,000 have been issued (the "**Initial Notes**") on the First Issue Date. The aggregate amount of the bond loan will be an amount of up to SEK 600,000,000. The Initial Nominal Amount of each Initial Note is SEK 1,250,000.

The Notes are debt instruments (*Sw. skuldförbindelser*) of the type set forth in Chapter 1 Section 3 of the Swedish Financial Instruments Accounts Act (*Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*), which confirms that each Noteholder has a claim against the Issuer and which are intended for public market trading. The Notes are issued in dematerialised book entry form and registered on a Securities Account on behalf of the relevant Noteholders. Accordingly, no physical notes have been issued.

#### **First Issue Date**

The Initial Notes were issued on 14 December 2021 (the "**First Issue Date**"). The Initial Notes were issued in a number of 272 and all Initial Notes have been issued at the date of this Prospectus. The 272 Initial Notes is the aggregate amount of Notes that will be applied for listing on the corporate bond list of Nasdaq Stockholm.

#### **ISIN code and trading code**

The Notes have been allocated the ISIN code SE0017105711. The Notes will also be allocated a common code upon admission to trading. Such common code has not been allocated at the date of this Prospectus.

**Subsequent Notes issue**

Subject to certain requirements being met, the Issuer may at one or more occasions after the First Issue Date issue Subsequent Notes under the Terms and Conditions. The issue price of the Subsequent Notes may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. The maximum aggregate nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 600,000,000 unless a consent from the Noteholders is obtained. For the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes.

**Price**

All Notes issued on the First Issue Date have been issued at an issue price of 100 per cent. of the Nominal Amount.

**Use of Benchmark**

Interest payable under the Notes are calculated by reference to STIBOR, which is administered by Swedish Financial Benchmark Facility AB ("**SFBF**"). As of the date of this Prospectus, the SFBF does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Market Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011).

**Interest and Interest Rate**

Each Initial Note carries Interest at STIBOR plus six point twenty-five (6.25) per cent *per annum*. The 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).

**Interest Payment Dates**

Interest Payments Dates will be quarterly in arrears on 14 March, 14 June, 14 September, and 14 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 14 March 2022 and the last Interest Payment Date shall be the relevant Redemption Date.

**Final Maturity Date**

The Final Maturity Date for the Notes is on 14 December 2024.

**Status of the Notes**

The Notes are denominated in SEK. The Notes constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and secured obligations of the Issuer, except obligation which are preferred by mandatory law, and without any preference among them.

**Use of Proceeds**

The Issuer has used the proceeds from the issue of the Initial Notes, less the costs and expenses incurred by the Issuer in connection with the issue of the Initial Notes, towards (i) repayment of the Existing Notes, and (ii) its general corporate purposes.

The Issuer shall use the proceeds from the issue of any Subsequent Note, less the costs and expenses incurred by the Issuer in connection with such issue, towards the acquisition of businesses or assets and/or for its general corporate purposes.

### **Transaction security**

As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and has procured that the Parent grants) on or before the First Issue Date, the Transaction Security to the Secured Parties as represented by the Agent. The Transaction Security is provided and perfected pursuant to, and subject to the terms of, the Security Documents entered into or to be entered into between the Issuer (or the Parent) and the Agent, acting on behalf of the Secured Parties. The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents. See further Clause 11 (*Transaction Security*) of the Terms and Conditions.

### **Redemption and re-purchase**

#### ***Redemption at maturity***

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest.

#### ***Purchase of Notes by Group Companies***

Each Group Company may, subject to applicable regulations, at any time and at any price purchase Notes on the market or in any other way. See further Clause 10.2 (*Purchase of Notes by Group Companies*) of the Terms and Conditions.

#### ***Voluntary total redemption***

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

- a) any time prior to, but excluding, the First Call Date, at an amount per Note equal to 103.125 per cent. of the Nominal Amount (for the avoidance of doubt, including the accrued but unpaid Interest), plus the amount of all remaining scheduled Interest payments on the Note until the First Call Date (assuming that the Interest Rate for the period from the relevant Redemption Date to but excluding the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given);
- b) at any time from and including the First Call Date to, but excluding, the first Business Day falling twenty-four (24) months after the First Issue Date at an amount per Note equal to 103.125 per cent. of the Nominal Amount, together with accrued but unpaid interest;
- c) at any time from and including the first Business Day falling twenty-four (24) months after the First Issue Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date at an amount per Note equal to 101.875 per cent. of the Nominal Amount, together with accrued but unpaid interest;
- d) at any time from and including the first Business Day falling thirty (30) months after the First Issue Date to, but excluding, the first Business Day falling thirty-three (33) months after the First Issue Date at an amount per Note equal to 101.25 per cent. of the Nominal Amount, together with accrued but unpaid interest;
- e) at any time from and including the first Business Day falling thirty-three (33) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100.625 per cent. of the Nominal Amount, together with accrued but unpaid interest; and

- f) notwithstanding paragraph (d) above, at any time from and including the first Business Day falling three (3) months prior to the Final Maturity Date, to but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount provided that the redemption is financed, in part or in full, by way of one or several Market Loan issues.

See further Clause 10.3 (*Voluntary total redemption (call option)*) of the Terms and Conditions.

***Voluntary and mandatory partial redemptions***

The Issuer may at one occasion, in connection with an initial public offering of shares in the Issuer or the Parent, repay up to forty (40) per cent. of the Total Nominal Amount, in which case all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note *pro rata*.

See further Clause 10.4 (*Voluntary partial redemption (call option)*) of the Terms and Conditions.

***Early redemption due to illegality***

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

See further Clause 10.5 (*Early redemption due to illegality (call option)*) of the Terms and Conditions.

***Mandatory repurchase due to a Change of Control Event or a Listing Failure Event***

Upon the occurrence of a Change of Control Event or Listing Failure Event, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the relevant event pursuant to Clause 12.1.3 (after which time period such right shall lapse), have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.

See further Clause 10.6 (*Mandatory repurchase due to a Change of Control Event or a Listing Failure Event (put option)*) of the Terms and Conditions.

***Change of Control Event***

A Change of Control Event means an event or a series of events resulting in Sten Warborn ceasing to own, legally and beneficially, directly or indirectly (a) fifty point one (50.1) per cent. or more of the issued shares in the capital and voting rights of the Issuer; or (b) following an admission to trading or listing, thirty (30) per cent. or more of the issued shares in the capital and voting rights of the Issuer, provided that (i) Sten Warborn has the largest shareholding; and (ii) no person or group of persons acting in concert directly or indirectly acquires a larger beneficial ownership or other control greater than that of Sten Warborn (other than with the prior consent of the Noteholders). Notwithstanding the foregoing, in case of the demise of Sten Warborn, no Change of Control Event shall occur for a period of one year, provided that the shares previously owned by him are during such period owned by his estate or his direct heirs.

***Listing Failure Event***

A Listing Failure Event means (i) that the Initial Notes are not admitted to trading or listed on a Regulated Market within sixty (60) days following the First Issue Date, (ii) that any Subsequent Notes are not admitted to trading or listed on a Regulated Market within thirty (30) days following their Issue

Date, and (iii) in the case of a successful admission, that a period of thirty (30) days has elapsed since the Notes ceased to be admitted to trading or listed on a Regulated Market.

## **Noteholder's rights**

### ***Decisions by Noteholders***

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

Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.

See further Clause 16.1 (*Request for a decision*) of the Terms and Conditions.

### ***Noteholders' Meeting***

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

See further Clause 16.2 (*Convening of Noteholders' Meeting*) of the Terms and Conditions.

### ***Written Procedure***

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

See further Clause 16.3 (*Instigation of Written Procedure*) of the Terms and Conditions.

## **General undertakings**

The Issuer makes certain undertakings in the Terms and Conditions. These include undertakings and limitations relating to: (i) compliance with laws; (ii) that its payment obligations under the Notes at all times rank at least *pari passu* with all its other direct, unconditional, unsubordinated and unsecured obligations, except those obligations which are preferred by mandatory law, and without any preference among them; (iii) change of business; (iv) disposal of assets; (v) disposal of operations; (vi) distributions and other transactions; (vii) financial indebtedness; (viii) negative pledge; (ix) dealings with related parties (x) listing of Notes; (xi) undertakings relating to the Agency Agreement; and (xii) CSD related undertakings.

The undertakings are subject to significant exceptions and qualifications. See Clause 13 of the Terms and Conditions for a detailed description of the abovementioned undertakings.

## **Miscellaneous**

### ***Transfer restrictions***

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

### ***Listing***

Application for listing of the Notes on the corporate bond list of Nasdaq Stockholm will be filed in connection with the SFSA's approval of this Prospectus. The date for admitting the Notes to trading on Nasdaq Stockholm will fall on 11 February 2022 at the earliest. Subsequent Notes may be admitted to trading as a result of an issue of Subsequent Notes.

### ***Agent***

The Issuer's Agent is Intertrust (Sweden) AB, reg. no. 556625-5476, or another party replacing it, as Agent, in accordance with the Terms and Conditions.

### ***Issuing Agent***

Skandinaviska Enskilda Banken AB (publ), reg no. 502032-9081, Stockholm, Sweden, is initially acting as Issuing Agent.

### ***The CSD***

The Issuer's central securities depository and registrar in respect of the Notes is Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

### ***Governing law of the Notes***

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

### ***Prescription***

The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment.

### ***Risk factors***

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

## **DESCRIPTION OF THE GROUP'S BUSINESS**

### **The Group's business and operations**

The Issuer is a jewellery retailer with operations in Sweden and Finland through four retail chain brands and three independent jewellery stores. As of 30 September 2021, the Group had a store network totalling 259 stores, of which 187 stores are located in Sweden and 72 are located in Finland. Together with the different brand strategies this enables the Group to cover a significant share of the jewellery market in each of these countries. The Group also supplies products to companies in Sweden and Finland.

In Sweden, the Issuer operates under the corporate entities Iduna AB and Lyxxa i Helsingborg AB. Its stores market the products under the ancillary brand names Guldfynd, Hallbergs Guld, Albrekts Guld and Lyxxa.

In Finland, the Issuer operates under the names of Kultajousi Oy, A. Tillander Oy and Westerback Oy. The Group operates six online-stores for its different brands.

On 22 January 2019, the Issuer, by way of an issue in kind, acquired all shares in Albury Re Ltd, a company established in Nevis. Albury Re Ltd is a captive insurance company that reinsures insurance policies issued by an insurance company for sales in Sweden through the Group's retail chains Guldfynd, Hallbergs Guld and Albrekts Guld. The insurance policies cover damages and loss of sold products with an insurable amount of between SEK 494 and SEK 30,000 per policy with terms of one year, with possibility to renew on a yearly basis.

The Issuer is solely a holding company and holds the shares in the Subsidiaries. Financing of the Group and its cash management is also handled by the Issuer. Hence, the Group's retailing business is conducted in the Subsidiaries and the Issuer is therefore dependent on the progress and continuance of the business in the Subsidiaries.

### **Business Areas and Products**

The Group's focus is to offer jewellery products to consumers and corporations in Sweden and Finland through a well-developed retail network and online sales. The product portfolio comprises, among other things, diamond jewellery, gold chains, engagement rings, gold earrings, men's jewellery, silver jewellery, bijouterie, gifts and watches.

#### *Store Network*

The Group's store network is located in shopping centres and in attractive high street retail sites. Careful returns on investment calculations are carried out before investing in new store establishments. Available data on disposable income, the general character of the region and the make-up of other retailers in the area is to be considered in the site selection and which of the Group's concepts is considered best suited for the location.

The Group's different concepts each uses uniform interior designs, fittings and furniture which are available in easily installable modules, which in turn reduces lead times from access of a new location to first day of business.

### *Online sales*

The Group runs six online stores under the brand names Guldfynd, Kultajousi, Albrekts Guld, Hallbergs Guld, Lyxxa and Westerback. Key advantages compared to other online competitors are high brand recognition, the ability for online customers to turn to physical stores for service, "Click-and-Collect"-offering where the customer can make purchases online and collect the product in stores, and the Group's state-of-the-art central warehouse system which supports online sales. Online sales have been growing since launch, but from low levels with online sales representing approximately seven (7) per cent of total sales in LTM Q3 of 2021.

### **Trademarks**

The Group operates through brand names with high recognition. The Group predominantly offers unlabelled products with high association to each brand but also own product brands. The Group also uses external suppliers for direct delivery of certain items such as engagement rings.

### *Guldfynd*

Guldfynd's product lines include gold and silver jewellery, bijouterie, complemented by gift items and watches. Most products are offered unlabelled and complemented by own product brands such as Mood, o.n.e. and Story of Love. Guldfynd focuses on the medium-price segment, targeting the cost-conscious consumer looking for high-quality jewellery with a high fashion level at a reasonable price.

Consequently this targeted segment represents a large part of the population in the country. A broad product offering covering many price levels and tastes enables Guldfynd to reach this wide target group. Stores are therefore mainly located in areas with a mixed disposable income profile where they are easily accessible and exposed to large customer groups. Stores can mainly be found in suburban and urban shopping areas such as malls, venues, and city centres. As of 30 September 2021, Guldfynd consisted of 118 stores which contributed to 46 per cent of the Group's total sales.

### *Albrekts Guld*

Albrekts Guld offers a wide collection of diamond jewellery and gift items along with a large selection of gold and silver jewellery, pearls, bijouterie, cutlery and watches. Albrekts Guld's vision has been consistent throughout the years, with a focus on providing customers with high-quality merchandise at the lowest price possible through direct purchasing from producers. The majority of Albrekts Guld's products are unlabelled. As of 30 September 2021, Albrekts Guld consisted of 36 stores which contributed to 13 per cent of the Group's total sales. Consistent with the focus on cost reduction, Albrekts Guld targets consumers who are seeking to acquire quality products at a low price. Albrekts Guld's stores are mostly located in suburban areas and high street locations.

### *Hallbergs Guld*

Hallbergs Guld appeals to fashion oriented women looking for high-quality jewellery within the high-end segment. The product lines range from classical gold and silver jewellery to fashionable and designer jewellery with a combination of unlabelled products and external brands such as Engelbert, Pandora, Dyrberg Kern and Schalins Ringar. External brands constitute an important part of the product lines and add to the luxury and exclusivity of the brand. As of 30 September 2021, Hallbergs Guld consisted of 32 stores which contributed to eleven (11) per cent of the Group's total sales. Stores are predominantly located in larger Swedish cities, with an emphasis on areas with high disposable incomes.

### *Lyxxa*

Lyxxa i Helsingborg AB was acquired in 2015. Lyxxa operates a goldsmith business in Helsingborg, Sweden. Lyxxa is focused on sales of jewellery from strong brand names in combination with sales of hand-made jewellery produced by Lyxxa's own goldsmith. As of 30 September 2021, Lyxxa consisted of one store which contributed to two (2) per cent of the Group's total sales.

### *Kultajousi*

Kultajousi focuses on providing high-quality jewellery and watches within the medium-segment of the Finnish market. The Kultajousi product lines include gold, silver and diamond jewellery as well as a large number of watches. Many products are offered unlabelled and are complemented by both own branded product and external brands. Own product brands include Princess, Diamanti, Argento, Fore, Story of Love and o.n.e. and cover both jewellery and watches whereas external brands include Citizen, Axcen, Candino, Tommy Hilfiger, Certina and D&G mainly covering watches as well as Kalevala Koru and Leijona Hopea for jewellery and cutlery. Selected stores, primarily in larger cities, carry high-end watch brands such as Certina and Tissot. As of 30 September 2021, Kultajousi consisted of 70 stores which contributed to 23 per cent of the Group's total sales.

### *Westerback and A. Tillander*

Westerback is an independent jewellery and watch store targeting the high-end luxury segment. Westerback focuses on valuable watches and jewellery within the luxury segment. The majority of products offered include watches, diamond jewellery and cutlery, with watches constituting the lion's share of revenues. Westerback has an emphasis on external brands including luxury watches such as Breitling, Longines, Tissot, Hublot and Omega.

A. Tillander is an independent jewellery shop targeting the high-end luxury segment in Helsinki with a focus on exclusive pieces and diamond jewellery. A. Tillander today operates one store, employing approximately six people, in Helsinki.

As of 30 September 2021, Westerback and A. Tillander consisted of two (2) stores which contributed to three (3) per cent of the Group's total sales.

## THE GROUP AND ITS OPERATIONS

### General information of the Issuer

Golden Heights Aktiebolag (publ) is a public limited company registered in Sweden with registration number is 556711-9648. The registered office is in the municipality of Gothenburg, Västra Götalands County, and its registered address at 432 84, Varberg, Sweden, which is also its head office and visiting address. The Issuer's phone number is +46 (0)340 595 400. The Issuer was incorporated in Sweden on 21 September 2006 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 28 September 2006. The Issuer's LEI Code is 549300GT6KLBVXBSBV12.

The Issuer is governed by Swedish law including, but not limited to, the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). Pursuant to the Issuer's Articles of Association, the object of the Issuer's business shall be to own, regardless of ownership form, in whole or in part, Swedish or foreign companies, manage real estate and movables, conduct retail business in gold, jewellery and gift industry, and activities related thereto.

The Issuer's website is [www.iduna.se](http://www.iduna.se). The information on the Issuer's website does not form part of this Prospectus unless such information is incorporated by reference into this Prospectus.

### Share capital, shares, ownership, legal structure and governance

#### *Share and share capital*

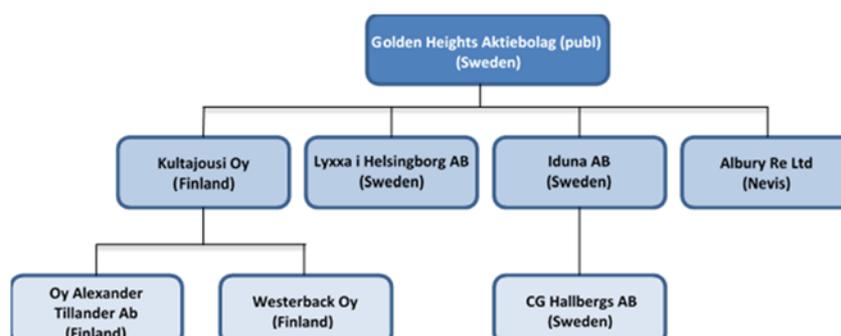
Pursuant to the Issuer's Articles of Association, its share capital shall be no less than SEK 50,000,000 and no more than SEK 200,000,000, with its number of shares being no less than 500,000 shares and no more than 2,000,000 shares. As at the date of this Prospectus, the Issuer's registered share capital was SEK 185,947,100 divided into 1,859,471 shares.

#### *Ownership*

The Issuer's sole shareholder is Golden Heights Oy, a private limited company organised under the laws of Finland, which is indirectly wholly owned by Sten Warborn. There are, as at the date of this Prospectus, no agreements or other arrangements that will or may result in a change of control over the Issuer.

#### *Legal structure*

The Company has seven direct and indirectly wholly owned Subsidiaries; Kultajousi Oy, Lyxxa i Helsingborg AB, Iduna AB, C.G. Hallbergs Guldsmeds AB, Westerback Oy, Oy Alexander Tillander Ab and Albury Re Ltd. The Group's operations are conducted through, and the majority of revenues of the Issuer emanates from, the Issuer's operational Subsidiaries. The Issuer is thus dependent on the Subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions. See below for group structure chart:



### *Governance*

To ensure that the control over the Company is not abused, the Company complies with applicable law and relevant regulations regarding decision making and administration in Swedish public limited liability companies, entailing, inter alia, that the Issuer's board of directors and shareholder observe the rules regarding corporate governance in the Swedish Companies Act. In addition, the Company acts in accordance with the rules of procedure of the board of directors and the instructions to the managing director adopted by the Company.

### **Significant adverse changes, recent events and trends**

Except for the issuance of the Notes, there have been no recent events particular to the Company, which are to a material extent relevant to the evaluation of the Company's solvency.

The last audited financial report was the annual report of 2020 for the Issuer and the Group. The Group published its latest interim financial report for the period January to September 2021 (ending on 30 September 2021) on 15 November 2021. There has been no material adverse change in the prospects of the Issuer since the date of publication of its last audited financial information and no significant change in the financial performance of the Issuer or the Group since the end of the last financial period for which financial information has been published to the date of this Prospectus.

### **Governmental, legal and arbitration proceedings**

The Company is not, and has over the past twelve (12) months not been, a party to any legal proceedings or arbitration proceedings that have had or would have a material effect on the Group's financial position or profitability, nor has the Company been informed of any claims that could lead to the Issuer or any member of the Group becoming a party to such proceedings.

### **Material Agreements**

Neither the Issuer, nor any other member of the Group, has entered into any material agreements not in the ordinary course of its business which may affect the Issuer's ability to fulfil its obligations under the Terms and Conditions.

## **BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS**

*Information on the members of the board of directors and the senior management for the Issuer, including significant assignments outside the Group that are relevant for the Group, is set forth below, and, unless otherwise explicitly stated, represents the situation as per the date of the Prospectus.*

### **Board of directors**

Pursuant to the Company's articles of association, the board of directors shall consist of no less than three and no more than five members, with a maximum of three deputy members. The board of directors currently consists of three members elected by the general meeting of the shareholders.

The section below presents the members of the board of directors, their position, including the year of their initial election, their significant assignments outside the Issuer, which are relevant to the Issuer, and their shareholding in the Issuer as of the date of this Prospectus.

#### *Sten Warborn*

Born 1942 and member of the board of directors since 2006 and chairman of the board of directors in the Company since 2014. Sten Warborn holds a Master of Science in Business and Economics. Current principal assignments include: CEO and member of the board of directors in Golden Heights Ltd, member of the board of directors in Golden Heights Oy and employee of Ansgar Ltd<sup>1</sup>.

Sten Warborn holds indirectly all of the outstanding shares in the Issuer. Not independent in relation to the Issuer, its management and the Issuer's largest shareholders.

#### *Urban Strand*

Born 1950 and member of the board of directors since 2014. Responsible for the market and product department within Guldfynd. Vice President and Merchandise Manager at Iduna AB during the period of 2001 to 2011. Urban Strand holds a Master of Science in Business and Economics. He has no other on-current principal assignments.

Urban Strand holds no shares in the Issuer. Independent in relation to the Issuer, its management and the Issuer's largest shareholders.

#### *Bengt Warborn*

Born 1945 and member of the board of directors since 2014. Bengt Warborn holds a Master of Science in Business and Economics. He has no other on-current principal assignments.

Bengt Warborn holds no shares in the Issuer. Not independent in relation to the Issuer, its management and the Issuer's largest shareholders.

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<sup>1</sup> Sten Warborn is an employee of Ansgar Ltd, a company organised under the laws of the Cayman Islands. Ansgar Ltd has entered into a managerial and financial services agreement with Golden Heights Oy (the Company's immediate parent company), under which it provides general management, accounting, and cash management services to the Group.

## **Key Management in the Group**

This section below presents the members of the key management, including the year each person became a member of the key management and their shareholdings in the Issuer as of the date of this Prospectus.

### *Madeléne Wingård*

Born 1967 and Managing Director of the Company since 2014 (with the Group since 1991 and serves as its CFO). Madeléne Wingård holds a Master in Business Science and Nutrition Economics. She has no other current principal assignments. Madeléne Wingård holds no shares in the Issuer.

### *Katja Warborn*

Born 1970 and Division Manager in Kultajousi Oy and Iduna AB since 2016 and from 2018 Director of Merchandising. Katja Warborn joined the group in 2005. She has no other current principal assignments. Katja Warborn holds no shares in the Issuer.

### *Tomas Nyberg*

Born 1970 and Marketing Manager for the Group in Finland and Sweden. Tomas Nyberg joined Kultajousi Oy in 2007. He holds a Master of Science in Business and Economics. He has no other current principal assignments. Tomas Nyberg holds no shares in the Issuer.

### *Mikael Blom*

Born in 1965, joined IDUNA as HR-Manager September 2021. He has a long previous experience of Retail and company management positions. Mikael has no other current principal assignments. Mikael Blom holds no shares in the Issuer.

### *Anders Glemsjö*

Born 1966 and head of establishment since 2019 for Iduna AB Sweden and from 2021 also for Kultajousi Oy in Finland. Anders Glemsjö has no other principal assignments. Anders Glemsjö holds no shares in the Issuer.

### *Sten Warborn*

For further information, see section "Board of directors" above.

## **Additional information on the board of directors and the senior management**

### ***Business address***

The address for all members of the board and the senior management in Sweden is c/o Golden Heights AB, 432 84, Varberg, Sweden and for senior management in Finland the address is c/o Golden Heights Oy, Tahkotie 1 B, 01531 Vaanta, Finland.

### ***Auditor***

The Issuer's auditor is Ernst & Young AB (Box 7850, SE-103 99 Stockholm, Sweden) since 2010 with Staffan Landén as auditor in charge. Staffan Landén is an authorised public accountant at Ernst & Young Aktiebolag and member of FAR, the professional institute for accountants in Sweden. Staffan Landén was re-elected at the annual general meeting held on 29 June 2021, for the time until the next annual general meeting.

Unless explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer's auditor.

***Conflicts of interest***

No member of the board or the senior management has any private interest that may conflict with the Company's interest except as described above. However, and as stated above, it should be noted that Sten Warborn has financial interests in the Issuer as a consequence of his indirect holding of all of the outstanding shares in the Issuer.

## **LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION**

### **Authorisations and responsibility**

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Notes on 14 December 2021 was authorised by a resolution of the board of directors of the Issuer on 16 November 2021.

The board of directors of the Issuer is, to the extent provided by Swedish law, responsible for the information given in this Prospectus. The board of directors declares that it has taken all reasonable care to ensure that such is the case that the information contained in this Prospectus is, to the best of the board of directors' knowledge, is in accordance with the facts and that the information contains no omission likely to affect its import.

### **Information from third parties**

Any information in this Prospectus which has been sourced from a third party has been accurately reproduced and, as for the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **Clearing and settlement**

The Notes are connected to the account-based system Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm. This means that the Notes are registered on behalf of the Noteholders on a securities account (*Sw. VP-konto*). No physical notes have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden's book-entry system.

### **Credit rating**

Neither the Issuer, nor the Notes, have a credit rating from an international credit rating institute.

### **Representation of the Noteholders**

Intertrust (Sweden) AB, reg. no. 556625-5476, or another party replacing it, acts as the Noteholders' Agent. By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (*Sw. företagsrekonstruktion*) or bankruptcy (*Sw. konkurs*) (or its equivalent in any other jurisdiction) of the Issuer, and any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security.

An agreement was entered into between the Agent and the Issuer (the "**Agency Agreement**") on or before the First Issue Date. The rights, obligations and the representation of the Agent are set forth in the Terms and Conditions. The Terms and Conditions can be accessed on the Issuer's website: [www.iduna.se](http://www.iduna.se).

**Certain material interests**

The Sole Bookrunner has engaged in, and may in the future engage in, commercial banking and/or investment banking or other services for the Issuer and/or the Group in the ordinary course of business. In particular, it should be noted that the Sole Bookrunner may be the lender under certain credit facilities with a member of the Group as borrower. Therefore, conflicts of interest may exist or arise as a result of the Sole Bookrunner having previously engaged, or will in the future engage, in transactions with other parties, having multiple roles or carrying out other transactions with third parties with conflicting interests.

**Listing costs**

The total expenses in conjunction with the admission to trading on Nasdaq Stockholm are expected not to be higher than SEK 200,000.

**Documents available for inspection**

Copies of the following documents are available at the Company's head office in paper format during the validity period of this Prospectus and electronically at the Company's website ([www.iduna.se](http://www.iduna.se));

- the Company's articles of association;
- the Company's certificate of registration;
- the Group's consolidated annual report for the financial year 2019;
- the Group's consolidated annual report for the financial year 2020;
- the Group's unaudited interim report for the period 1 January to 30 September 2021; and
- the Terms and Conditions.

## OVERVIEW OF FINANCIAL REPORTING AND DOCUMENTS INCORPORATED BY REFERENCE

The historical financial information in the Prospectus consist of the Group's consolidated financial information for the financial years ending 31 December 2020 and 2019 and for the interim period from January to September 2021 (ending on 30 September 2021). The Issuer's consolidated annual reports for the financial years ending 31 December 2020 and 2019, as well as the financial information for the interim period ending on 30 September 2021, have been incorporated in this Prospectus by reference. The information incorporated by reference includes the consolidated financial statements for the Group as well as the financial statements for the Company and is to be read as part of this Prospectus.

The accounting principles applied in the preparation of the Company's financial statements are set out below and have been consistently applied to all of the years presented, unless otherwise stated.

The Group's consolidated financial information for the financial years ending 31 December 2020 and 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the EU. In addition, the annual reports for the Company have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *Årsredovisningslag 1995:1554*) and the recommendation RFR 1 "*Supplementary Accounting Rules for Groups*", as well as statements issued by the Swedish Financial Reporting Board. The Company applies the same accounting policies as the Group except for in those cases specified in note 1 of the annual reports. The differences that exist are due to the limitations on applying IFRS in the Company due to the Swedish Annual Accounts Act and in certain cases, for taxation purposes.

The Group's consolidated annual reports for the financial years ending 31 December 2020 and 2019 have been audited by the Group's auditor and the auditor's reports have been incorporated into this Prospectus by reference.

The Group's consolidated financial information for the interim period January to September 2021 (ending on 30 September 2021) have been extracted from the Issuer's unaudited interim financial report for the period from January to September 2021. The Issuer's unaudited interim financial report for the period from January to September 2021 has been prepared in accordance with IFRS and the recommendation RFR 1 "*Supplementary Accounting Rules for Groups*", but has not been audited.

Other than the auditing of the Group's annual reports for the financial years ending 31 December 2020 and 2019, the auditor has not audited or reviewed any other parts of this Prospectus.

### The consolidated annual report for the financial year 2020

The Group's consolidated annual report for the financial year 2020 is incorporated in this Prospectus by reference and should be read as part of this Prospectus.<sup>2</sup> For particular financial figures, please refer to the pages set out below.

<i>Reference</i>	<i>Pages in the annual report</i>
The Group's consolidated income statement	5
The Group's consolidated balance sheet	6
The Group's statement on changes in equity	8

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<sup>2</sup> The Group's consolidated annual report for the financial year 2020 is available in electronic form at <https://www.iduna.se/files/financial/Annual%20Report%202020.pdf>.

The Group's consolidated cash flow statement	9
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### **The consolidated annual report for the financial year 2019**

The Group's consolidated annual report for the financial year 2019 is incorporated in this Prospectus by reference and should be read as part of this Prospectus.<sup>3</sup> For particular financial figures, please refer to the pages set out below.

<i>Reference</i>	<i>Pages in the annual report</i>
The Group's consolidated income statement	5
The Group's consolidated balance sheet	6
The Group's statement on changes in equity	8
The Group's consolidated cash flow statement	9
Notes	15
Independent auditor's report	38

### **The consolidated unaudited interim report for the period January to September 2021**

The Group's consolidated unaudited interim financial report for the period from January to September 2021 (ending on 30 September 2021) is incorporated in this Prospectus by reference and should be read as part of this Prospectus.<sup>4</sup> For particular financial figures, please refer to the pages set out below.

<i>Reference</i>	<i>Pages in the annual report</i>
The Group's consolidated income statement	4
The Group's consolidated balance sheet	5
The Group's consolidated cash flow statement	5
The Group's statement on changes in equity	6
Notes	10

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<sup>3</sup> The Group's consolidated annual report for the financial year 2019 is available in electronic form at <https://www.iduna.se/files/financial/Annual%20Report%202019.pdf>.

<sup>4</sup> The Group's consolidated unaudited interim financial report for the period from January to September 2021 is available in electronic form at <https://www.iduna.se/files/financial/Golden%20Heights%20AB%20publ%20Delarsrapport%20Q3%202021.pdf>.

The Issuer's consolidated annual reports mentioned above are available in electronic form on the Issuer's web page ([www.iduna.se](http://www.iduna.se)) and can also be obtained from the Issuer in paper format in accordance with what is stated section "*Documents available for inspection*" above.

Investors should read all information which is incorporated in the Prospectus by reference. Information in the abovementioned documents which is not incorporated by reference in this Prospectus, is either deemed by the Issuer not to be relevant for investors in the Notes or is covered elsewhere in the Prospectus.

**TERMS AND CONDITIONS FOR THE NOTES**

**TERMS AND CONDITIONS FOR  
GOLDEN HEIGHTS AB (PUBL)  
SENIOR SECURED FLOATING RATE NOTES  
2021/2024**

**ISIN: SE0017105711**

## **SELLING RESTRICTION**

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

## **PRIVACY NOTICE**

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

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

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

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

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

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

The Issuer's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their respective websites [www.iduna.se](http://www.iduna.se) and [www.intertrustgroup.com](http://www.intertrustgroup.com).

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

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (as in force on the First Issue Date).

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

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

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

“**Agent**” means Intertrust (Sweden) AB, Swedish Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Base Rate**” means STIBOR or any reference rate replacing STIBOR in accordance with Clause 18 (*Replacement of Base Rate*).

“**Base Rate Administrator**” means Swedish Financial Benchmark Facility AB (SFBF), Swedish Reg. No. 559172-1773, or another party replacing it as administrator of the Base Rate.

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

“**Business Day Convention**” means 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.

“**Change of Control Event**” means an event or a series of events resulting in Sten Warborn ceasing to own, legally and beneficially, directly or indirectly:

- (a) fifty point one (50.1) per cent. or more of the issued shares in the capital and voting rights of the Issuer; or

- (b) following an admission to trading or listing, thirty (30) per cent. or more of the issued shares in the capital and voting rights of the Issuer, provided that:
- (i) Sten Warborn has the largest shareholding; and
  - (ii) no person or group of persons acting in concert directly or indirectly acquires a larger beneficial ownership or other control greater than that of Sten Warborn (other than with the prior consent of the Noteholders).

Notwithstanding the foregoing, in case of the demise of Sten Warborn, no Change of Control Event shall occur for a period of one year, provided that the shares previously owned by him are during such period owned by his estate or his direct heirs.

“**Compliance Certificate**” has the meaning set forth in Clause 12.1.4.

“**Credit Agreement**” means the SEK 185,000,000 revolving credit facility agreement dated on or about the First Issue Date between, amongst others, Iduna AB and Kultajousi Oy as the borrowers and Skandinaviska Enskilda Banken AB (publ) as lender.

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

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

“**Debt Register**” means the debt register (*skuldbok*) kept by the CSD in respect of the Notes in which (i) an owner of Notes is directly registered or (ii) an owner’s holding of Notes is registered in the name of a nominee.

“**EBITDA**” means operational earnings of the Group, before interest, taxes, depreciation and amortisation (without double counting) calculated in accordance with the Accounting Principles, not including any exceptional, one off, non-recurring or extraordinary items (*rörelseresultatet före avskrivningar*), and costs relating to Operating Leases for any twelve (12) months period ending on the last day of the period covered by the most relevant financial statements delivered pursuant to paragraph (b) of Clause 12.1.1. For the purpose of calculating EBITDA, entities acquired or disposed of during a measurement period will be included or excluded (as applicable) for the entirety of that measurement period.

“**Escrow Account**” means the bank account held by the Issuer with the Escrow Bank for the purpose of the arrangement specified in Clause 5 (*Escrow of proceeds*).

“**Escrow Account Pledge Agreement**” means the agreement for Security over the funds standing to the credit on the Escrow Account, entered into between the Issuer and the Agent.

“**Escrow Bank**” means Skandinaviska Enskilda Banken AB (publ).

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

“**Existing Notes**” means the up to SEK 400,000,000 senior secured floating rate notes (ISIN: SE0010599498) issued by the Issuer on 8 March 2019 with final maturity date on 8 March 2022.

“**Final Maturity Date**” means 14 December 2024.

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

“**Financial Lease**” means a lease which in accordance with the Accounting Principles is treated as an asset and a corresponding liability, provided that any existing or future leases which would prior to 1 January 2019 have been treated as operating leases, shall not be considered as being finance leases due to any subsequent change in the Accounting Principles.

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing or Market Loan);
- (b) the amount of any liability under any Financial Lease;
- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (e) the marked-to-market value of derivative transactions entered into in connection with protection against, or benefit from, fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (f) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (g) without double-counting, liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (f) above;

and provided that pension liabilities and provisions which are treated as borrowings or financial debt under IFRS shall not be included.

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

“**First Call Date**” means the date falling eighteen (18) months after the First Issue Date.

“**First Issue Date**” means 14 December 2021.

“**Force Majeure Event**” has the meaning set forth in Clause 25.1.

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

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

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

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

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 9.1 to 9.3.

“**Interest Payment Date**” means *14 March, 14 June, 14 September, and 14 December* of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be *14 March 2022* and the last Interest Payment Date shall be the relevant Redemption Date.

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

“**Interest Rate**” means the Base Rate plus 6.25 per cent. *per annum* as adjusted by any application of Clause 18 (*Replacement of Base Rate*).

“**Issue Date**” means the date of which Notes are to be issued, as agreed between the Issuing Agent and the Issuer.

“**Issuer**” means Golden Heights AB (publ), a public limited liability company incorporated under the laws of Sweden with Reg. No. 556711-9648.

“**Issuing Agent**” means initially, Skandinaviska Enskilda Banken AB (publ) and thereafter each other party appointed as Issuing Agent in accordance with these Terms and Conditions and the CSD Regulations.

“**Listing Failure Event**” means (i) that the Initial Notes are not admitted to trading or listed on a Regulated Market within sixty (60) days following the First Issue Date, (ii) that any Subsequent Notes are not admitted to trading or listed on a Regulated Market within thirty (30) days following their Issue Date, and (iii) in the case of a successful admission, that a period of thirty (30) days has elapsed since the Notes ceased to be admitted to trading or listed on a Regulated Market.

“**Loan Pledge Agreements**” means:

- (a) the intra-group loan pledge agreement entered into by the Parent and the Agent on or about the First Issue Date regarding any and all intra-group loans from the Parent to the Issuer or any Group Company; and
- (b) the intra-group loan pledge agreement entered into by the Issuer and the Agent on or about the First Issue Date regarding any and all intra-group loans from the Issuer to other Group Companies (other than intra-group loans resulting from cash pool arrangements).

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

“**Material Adverse Effect**” means a material adverse effect on the Issuer’s ability to perform and comply with its obligations under the Finance Documents to which it is a party or the validity or enforceability of, or the effectiveness or ranking of any Transaction Security which is materially detrimental to the interest of the Noteholders.

“**Material Disposal**” has the meaning set forth in Clause 13.5 (*Disposal of operations*).

“**Net Debt**” means on a Group consolidated basis (i) the aggregate amount of all interest-bearing obligations (not including any Financial Indebtedness owed by the Issuer and which is expressly permitted under paragraphs (d), (e) and (g) of Clause 13.7.1 (including liabilities under Financial Leases)) less (ii) cash in hand or at a bank, payments made by cheque, debit card or credit card which are yet to be received in cleared funds, short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and readily marketable inventories of gold in grain and under smelting.

“**Net Interest Payable**” means for any twelve (12) months period ending on the last day of the period covered by the most recent financial statements delivered pursuant to paragraph (b) of Clause 12.1.1, calculated in accordance with the Accounting Principles, the aggregate of all financial expenses for the Group (excluding financial expenses for Financial Indebtedness owed by the Issuer and which is expressly permitted under paragraphs (d) and (g) of Clause 13.7.1):

- (a) minus all financial income;
- (b) minus any costs for any Operating Leases; and
- (c) minus/plus unrealised losses/gains on currency fluctuations related to hedges of financial items in balance sheet and/or income statement, derivative instruments and financial instruments, other than any derivative instruments which are designated as hedges of operational items and/or derivatives accounted for on a hedge accounting basis.

“**Nominal Amount**” means in respect of each Note the Initial Nominal Amount, less the aggregate amount by which that Note has been redeemed in part pursuant to Clause 10.4 (*Voluntary and mandatory partial redemptions (call and put option)*).

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

“**Noteholder**” means the person who is registered on a Securities Account as direct registered owner (*ägare*) or nominee (*förvaltare*) with respect to a Note.

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

“**Operating Lease**” means any lease which is not a Financial Lease.

“**Parent**” means Golden Heights Oy, a limited liability company incorporated under the laws of Finland with Business Identity Code 2045453-6.

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

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 15 (*Distribution of proceeds*), (iv) the date of a Noteholders’ Meeting, or (v) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 10 (*Redemption and repurchase of the Notes*).

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

“**Refinancing**” has the meaning set forth in paragraph (b) of Clause 13.8.

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

“**Restricted Payment**” has the meaning set forth in Clause 13.6.1.

“**Secured Obligations**” means all present and future obligations and liabilities of the Issuer to the Secured Parties under the Finance Documents and the Agency Agreement.

“**Secured Parties**” means the Noteholders and the Agent (including in its capacity as Agent under the Agency Agreement).

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

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

“**Security Documents**” means the Escrow Account Pledge Agreement, the Loan Pledge Agreements and the Share Pledge Agreements.

“**Share Pledge Agreements**” means:

- (a) the share pledge agreement in relation to all the shares in the Issuer entered into by the Parent and the Agent on or about the First Issue Date;
- (b) the share pledge agreement in relation to all the shares in Iduna AB, Swedish Reg. No. 556060-9058, entered into by the Issuer and the Agent on or about the First Issue Date;

- (c) the share pledge agreement in relation to all the shares in Kultajousi Oy, Finnish Reg. No. 0222163-2, entered into by the Issuer and the Agent on or about the First Issue Date;
- (d) the share pledge agreement in relation to all the shares in Lyxxa i Helsingborg AB, Swedish Reg. No. 556080-5490, entered into by the Issuer and the Agent on or about the First Issue Date; and
- (e) any share pledge agreement in relation to all the shares in any Group Company (other than the Issuer, Iduna AB, Kultajousi Oy, and Lyxxa i Helsingborg AB) entered into by the Issuer and the Agent on or about the date on which the Issuer directly acquires (whether by way of incorporation or otherwise) such shares.

“**Special Mandatory Redemption**” has the meaning set forth in Clause 5.3.

“**STIBOR**” means:

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

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

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

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

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

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

“**Transaction Security**” means the Security provided for the Secured Obligations pursuant to the Security Documents.

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

## 1.2 Construction

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

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

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

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

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

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

## 2. STATUS OF THE NOTES

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

2.3 The initial nominal amount of each Initial Note is SEK 1,250,000 (the “**Initial Nominal Amount**”). The maximum aggregate nominal amount of the Initial Notes is SEK 340,000,000. All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Initial Nominal Amount.

- 2.4 Provided that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the relevant issue of Subsequent Notes, and (ii) the Issuer complies with the relevant financial ratios set out in paragraph (h) of Clause 13.7.1, the Issuer may, on one or several occasions, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. The maximum aggregate nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 600,000,000 unless a consent from the Noteholders is obtained in accordance with paragraph (a) of Clause 16.4.2. Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 9.1, and otherwise have the same rights as the Initial Notes.
- 2.5 The Notes constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.
- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

### **3. USE OF PROCEEDS**

- 3.1 The Issuer shall use the proceeds from the issue of the Initial Notes towards (i) payment and/or reimbursement of its costs and expenses incurred in connection with the issue of the Initial Notes, (ii) repayment of the Existing Notes, and (iii) its general corporate purposes.
- 3.2 The Issuer shall use the proceeds from the issue of any Subsequent Note towards (i) payment and/or reimbursement of its costs and expenses incurred in connection with such issue, (ii) the acquisition of businesses or assets, and/or (iii) its general corporate purposes.

### **4. CONDITIONS FOR DISBURSEMENT**

- 4.1 The Issuer shall provide to the Agent, no later than four (4) Business Days prior to the First Issue Date, the following:
- (a) the Finance Documents and the Agency Agreement duly executed by the Issuer and the Parent, as applicable;
  - (b) a copy of a resolution from the board of directors of the Issuer and the Parent approving the issue of the Initial Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;

- (c) copies of the articles of association and certificates of incorporation of the Issuer and the Parent;
- (d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer and the Parent is/are duly authorised to do so;
- (e) a legal opinion addressed to the Agent, in form and substance satisfactory to the Agent, regarding the validity and enforceability of the Finnish law governed Share Pledge Agreement relating to the shares in Kultajousi Oy, from legal counsel as to Finnish law;
- (f) a conditions precedent satisfaction letter addressed to the Agent and issued by Mannheimer Swartling Advokatbyrå AB in a form and substance satisfactory to the Agent;
- (g) evidence that the Issuer will redeem the entire outstanding principal amount of the notes under the Existing Notes (including information necessary for the transfer of funds from the Escrow Account to the noteholders under the Existing Notes) and that all Security provided for such financing will be simultaneously released;
- (h) evidence that the Escrow Account Pledge Agreement has been perfected; and
- (i) such other documents and information as is specified in the Security Documents or otherwise agreed between the Agent and the Issuer.

4.2 The Issuer shall provide to the Agent, no later than four (4) Business Days prior to the Issue Date in respect of any Subsequent Notes the following:

- (a) a copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Notes and resolving to enter into documents necessary in connection therewith;
- (b) a certificate from the Issuer confirming that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the issue of Subsequent Notes and (ii) the Issuer will, following the issue of the Subsequent Notes, comply with the relevant financial covenants set out in paragraph (h) of Clause 13.7.1 and setting out in reasonable detail the calculations in relation thereto on a pro forma basis; and
- (c) such other documents and information as is agreed between the Agent and the Issuer.

4.3 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4.1 or 4.2, as the case may be, have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and waivers*)). The relevant Issue Date shall not occur (i) unless the Agent makes such confirmation to the Issuing Agent no later than 9.00 a.m. three (3) Business Days prior to the relevant Issue Date (or later, if the Issuing Agent so agrees), or (ii) if the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.

4.4 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 4.3, the Issuing Agent shall:

- (a) in relation to the Initial Notes, settle the issuance of the Initial Notes and pay the gross proceeds into the Escrow Account on the First Issue Date; and

- (b) in relation to any Subsequent Notes, settle the issuance of the Subsequent Notes and pay the gross proceeds into such account as designated by the Issuer on the relevant Issue Date.

## 5. ESCROW OF PROCEEDS

- 5.1 The funds standing to the credit on the Escrow Account form part of the Transaction Security.
- 5.2 The Agent shall instruct the Escrow Bank to (i) transfer funds standing on the Escrow Account to such account(s) as indicated by the Issuer pursuant to paragraph (g) of Clause 4.1 and as required for the redemption of the entire outstanding principal amount of the Existing Notes, and (ii) once the funds required for the redemption of the Existing Notes have been transferred, release the Security pursuant to the Escrow Account Pledge Agreement, when the Agent is satisfied that it has received the following:
  - (a) evidence that all applicable perfection requirements regarding the Security Documents (other than the Escrow Account Pledge Agreement) will be fulfilled on the date of disbursement; and
  - (b) such other documents and information as is agreed between the Agent and the Issuer.
- 5.3 If the Agent determines that it has not received the conditions precedent set out in Clause 5.2 on or before the Business Day falling thirty (30) days after the First Issue Date and the Agent has not amended or waived such conditions in accordance with Clause 17 (*Amendments and waivers*), the Issuer shall redeem all, but not some only, of the outstanding Notes in full at an amount per Note equal to 101 per cent. of the Nominal Amount, together with accrued but unpaid interest (a “**Special Mandatory Redemption**”). The Agent may use the whole or any part of the amounts standing to the credit on the Escrow Account to fund a Special Mandatory Redemption.
- 5.4 A Special Mandatory Redemption shall be made by the Issuer giving notice to the Noteholders and the Agent promptly following the date when the Special Mandatory Redemption is triggered pursuant to Clause 5.3. The Issuer shall redeem the Notes in full at the applicable amount on a date specified in the notice from the Issuer, such date to fall no later than ten (10) Business Days after the effective date of the notice.

## 6. NOTES IN BOOK-ENTRY FORM

- 6.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator. The Debt Register shall be conclusive evidence of the persons who are Noteholders and their holdings of Notes.
- 6.2 Those who according to assignment, Security, the provisions of the Children and Parents Code (*föräldrabalk (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.

6.4 The Issuer shall issue any necessary power of attorney to such person(s) employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the Debt Register. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

6.5 The Issuer and the Agent may use the information referred to in Clauses 6.3 and 6.4 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

## **7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER**

7.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisations starting with the Noteholder and authorising such person.

7.2 A Noteholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder.

7.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 7.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

7.4 These Terms and Conditions shall not affect the relationship between a Noteholder who is the nominee (*förvaltare*) with respect to a Note and the owner of such Note, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

## **8. PAYMENTS IN RESPECT OF THE NOTES**

8.1 Any payment or repayment under the Finance Documents, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

8.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.4 during such postponement.

8.4 If payment or repayment is made in accordance with this Clause 8, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.

8.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax, public levy or the similar.

## **9. INTEREST**

9.1 Each Initial Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the First Issue Date up to (and including) the relevant Redemption Date. Any Subsequent Note will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its issuance (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.

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

9.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

9.4 If the Issuer fails to pay any amount payable by it under the Finance Documents 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. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

## **10. REDEMPTION AND REPURCHASE OF THE NOTES**

### **10.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note 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.

### **10.2 Purchase of Notes by Group Companies**

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

10.2.2 Notes held by a Group Company may at such Group Company's discretion be retained, sold or, if held by the Issuer, cancelled.

### 10.3 Voluntary total redemption (call option)

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

- (a) any time prior to, but excluding, the First Call Date, at an amount per Note equal to 103.125 per cent. of the Nominal Amount (for the avoidance of doubt, including the accrued but unpaid Interest), plus the amount of all remaining scheduled Interest payments on the Note until the First Call Date (assuming that the Interest Rate for the period from the relevant Redemption Date to but excluding the First Call Date will be equal to the Interest Rate in effect on the date on which the applicable notice of redemption is given);
- (b) at any time from and including the First Call Date to, but excluding, the first Business Day falling twenty-four (24) months after the First Issue Date at an amount per Note equal to 103.125 per cent. of the Nominal Amount, together with accrued but unpaid interest;
- (c) at any time from and including the first Business Day falling twenty-four (24) months after the First Issue Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date at an amount per Note equal to 101.875 per cent. of the Nominal Amount, together with accrued but unpaid interest;
- (d) at any time from and including the first Business Day falling thirty (30) months after the First Issue Date to, but excluding, the first Business Day falling thirty-three (33) months after the First Issue Date at an amount per Note equal to 101.25 per cent. of the Nominal Amount, together with accrued but unpaid interest; and
- (e) at any time from and including the first Business Day falling thirty-three (33) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100.625 per cent. of the Nominal Amount, together with accrued but unpaid interest; and
- (f) notwithstanding paragraph (d) above, at any time from and including the first Business Day falling three (3) months prior to the Final Maturity Date, to but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount provided that the redemption is financed, in part or in full, by way of one or several Market Loan issues.

10.3.2 For the purpose of calculating the remaining Interest payments pursuant to Clause 10.3.1, it shall be assumed that the Interest Rate for the period from the relevant Record Date to and including the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is sent to the Noteholders in accordance with Clause 10.3.3. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such redemption.

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

#### **10.4 Voluntary partial redemption (call option)**

- 10.4.1 The Issuer may at one occasion, in connection with an initial public offering of shares in the Issuer, the Parent or a newly established holding company of either the Issuer or the Parent, repay up to forty (40) per cent. of the Total Nominal Amount, in which case all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note *pro rata*. The repayment must occur on an Interest Payment Date within one hundred eighty (180) days after such initial public offering and be made with funds in an aggregate amount not exceeding the cash proceeds received by the Issuer or the Parent as a result of such offering, and subsequently on-lent or contributed to the Issuer if received by the Parent, in each case net of fees, charges and commissions actually incurred in connection with such offering, lending or contribution and net of taxes paid or payable as a result of such offering, lending or contribution. The repayment per Note shall equal the repaid amount (rounded down to the nearest SEK 1,000) plus (i) a premium on the repaid amount of three (3) per cent. and (ii) accrued but unpaid Interest on the repaid amount.
- 10.4.2 Partial redemption in accordance with Clauses 10.4.1 shall be made by the Issuer giving not less than fifteen (15) and not more than thirty (30) Business Days' notice to the Noteholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The notice is irrevocable but a notice under Clause 10.4.1 may, at the Issuer's discretion, contain one or more conditions precedent. Upon fulfilment of the conditions precedent (if any), the Issuer shall redeem each Note in part at the applicable amount on the specified Redemption Date.
- 10.4.3 Notwithstanding Clause 10.4.1, the aggregate amount repaid pursuant to this Clause 10.4 may not exceed forty (40) per cent. of the Total Nominal Amount immediately prior to the first repayment pursuant to this Clause 10.4.

#### **10.5 Early redemption due to illegality (call option)**

- 10.5.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.
- 10.5.2 The applicability of Clause 10.5.1 shall be supported by a legal opinion issued by a reputable law firm.
- 10.5.3 The Issuer may give notice of a redemption pursuant to Clause 10.5.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Notes in full at the applicable amount on the specified Redemption Date.

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

- 10.6.1 Upon the occurrence of a Change of Control Event, each Noteholder shall during a period of twenty (20) Business Days, from the effective date of a notice from the Issuer of the Change of Control Event pursuant to Clause 12.1.3 (after which time period such right shall lapse), have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest. However, such period may not start earlier than upon the occurrence of the Change of Control Event.
- 10.6.2 Upon the occurrence of a Listing Failure Event, each Noteholder shall, during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Listing Failure Event pursuant to Clause 12.1.3 (after which time period such right shall lapse) have the right to request that all, or some only, of its Notes be repurchased at a price per Note equal to 101 per cent. of the Nominal Amount together with accrued but unpaid Interest.
- 10.6.3 The notice from the Issuer pursuant to Clause 12.1.3 shall specify the period during which the right pursuant to Clauses 10.6.1 and 10.6.2 may be exercised, the Record Date on which a person shall be registered as a Noteholder to receive interest and principal, the Redemption Date and include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to Clause 12.1.3. The Redemption Date must fall no later than forty (40) Business Days after the end of the period referred to in Clauses 10.6.1 and 10.6.2.
- 10.6.4 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Notes. To the extent that the provisions of such regulations conflict with the provisions in this Clause 10.6, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 10.6 by virtue of the conflict.
- 10.6.5 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 10.6, if a third party in connection with the occurrence of a Change of Control Event or a Listing Failure Event offers to purchase the Notes in the manner and on the terms set out in this Clause 10.6 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If Notes tendered are not purchased within the time limits stipulated in this Clause 10.6, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 10.6.6 No repurchase of Notes pursuant to this Clause 10.6 shall be required if the Issuer has given notice of a redemption pursuant to Clause 10.3 (*Voluntary total redemption (call option)*) provided that such redemption is duly exercised.

## **11. TRANSACTION SECURITY**

- 11.1 As continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants (and shall procure that the Parent grants) on or before the First Issue Date, the Transaction Security to the Secured Parties as represented by the Agent. The Transaction Security shall be provided and perfected pursuant to, and subject to the terms of, the Security Documents entered into or to be entered into between the Issuer (or the Parent) and the Agent, acting on behalf of the Secured Parties. The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Security Documents.

- 11.2 In respect of shares in future Group Companies and intra-group loans made available after the First Issue Date by the Issuer to Group Companies (other than intra-group loans resulting from cash pool arrangements), the Issuer shall enter into the applicable Security Documents in forms and substance satisfactory to the Agent (acting reasonably) on or about the date on which the Issuer acquires (whether by way of incorporation or otherwise) such shares or makes such intra-group loans available (respectively) and shall perfect such Transaction Security in accordance with the terms of the relevant Security Documents.
- 11.3 The Agent shall, on behalf of the Secured Parties, keep all certificates and other documents that are bearers of rights relating to the Transaction Security in safe custody.
- 11.4 Unless and until the Agent has received instructions from the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*), the Agent shall (without first having to obtain the Noteholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the 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 Noteholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.
- 11.5 For the purpose of exercising the rights of the Secured Parties, the Agent and the Escrow Bank may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Finance Documents and change the bank account registered with the CSD and from which payments under the Notes are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent, the Escrow Bank and the CSD), that the Agent or the Escrow Bank deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 11.5.
- 11.6 In addition to Clause 5.2, the Agent shall be entitled to release all Transaction Security when it is satisfied of the full discharge of the Secured Obligations.

## **12. INFORMATION TO NOTEHOLDERS**

### **12.1 Information from the Issuer**

- 12.1.1 The Issuer shall make the following information available to the Noteholders by way of press release and by publication on [www.iduna.se](http://www.iduna.se):
- (a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, its audited consolidated financial statements for that financial year prepared in accordance with the Accounting Principles;
  - (b) as soon as the same become available, but in any event within two (2) months after the end of each interim quarter of its financial year, its unaudited consolidated financial statements for such period prepared in accordance with the Accounting Principles;
  - (c) as soon as the same become available, but in any event within two (2) months after the end of its financial year, its year-end report (*bokslutskommuniké*) for such period prepared in accordance with the Accounting Principles; and
  - (d) any other information required by the Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading or listed.

- 12.1.2 The Issuer shall, as soon as practicable following an acquisition or disposal of Notes by a Group Company, make available information regarding the aggregate Nominal Amount of Notes held by Group Companies, or the amount of Notes cancelled by the Issuer, by publication on the website of the Issuer.
- 12.1.3 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or a Listing Failure Event and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. In respect of a Change of Control Event, such notice may be given in advance of the occurrence of a Change of Control Event, and be conditional upon the occurrence of such Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event.
- 12.1.4 When the financial statements and other information are made available to the Noteholders pursuant to Clause 12.1.1, the Issuer shall send copies of such financial statements and other information to the Agent. Together with the financial statements or within twenty (20) Business Days of a request from the Agent, the Issuer shall submit to the Agent a compliance certificate (a “**Compliance Certificate**”) (i) containing a confirmation that no Event of Default has occurred (or if an Event of Default has occurred, what steps have been taken to remedy it), and (ii) attaching copies of any notices sent to the Regulated Market on which the Notes are admitted to trading or listed. The Compliance Certificate shall include figures in respect of the relevant financial covenant(s), incurrence tests etc. and the basis on which they have been calculated.

## **12.2 Information from the Agent**

- 12.2.1 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in accordance with Clause 12.2.2, the Agent is entitled to disclose to the Noteholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default shall be dealt with in accordance with Clause 14.4).
- 12.2.2 If a committee representing the Noteholders’ interests under the Finance Documents has been appointed by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

## **12.3 Information among the Noteholders**

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

## **12.4 Availability of Finance Documents**

- 12.4.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on [www.iduna.se](http://www.iduna.se) and on the Agent’s website.

12.4.2 The latest versions of the Finance Documents not made available pursuant to Clause 12.4.1 shall upon written request be made available by the Agent to any person by way of email or at the office of the Agent. The Agent may require that the requesting person reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

### **13. GENERAL UNDERTAKINGS**

#### **13.1 Compliance with laws**

The Issuer shall comply with all laws to which it is subject, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

#### **13.2 Pari Passu**

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

#### **13.3 Change of business**

13.3.1 The Issuer shall not conduct any other business than owning shares in other Group Companies (provided that such shares are pledged to the benefit of the Secured Parties), issuing the Notes, lending monies to other Group Companies and providing normal management services to the Group (including employing relevant staff for such services).

13.3.2 The Issuer shall procure that no substantial change is made to the general nature of the business of the Group from that carried on at the First Issue Date.

#### **13.4 Disposal of assets**

13.4.1 The Issuer shall not sell, transfer or otherwise dispose of any interest in the shares of any Group Company which are the subject of a Share Pledge Agreement entered into, or to be entered into, in accordance with Clause 11.2.

13.4.2 The Issuer shall not sell, and shall ensure that no other Group Company will sell, transfer or otherwise dispose of assets except for sales, transfers and disposals on arm's length terms for fair market value and provided that any such sale, transfer or disposal does not have a Material Adverse Effect.

#### **13.5 Disposal of operations**

13.5.1 The Issuer shall not, and shall procure that no Group Company will, sell or otherwise dispose of any shares in any Group Company or of any substantial operations to any person not being the Issuer or any of the Group Companies (a "**Material Disposal**"), unless the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

13.5.2 The Issuer shall promptly notify the Agent of any Material Disposal and provide the Agent with such further information relating to the disposal as the Agent may reasonably request.

## 13.6 Distributions and other transactions

13.6.1 The Issuer shall not, and shall procure that no other Group Company will:

- (a) grant any loans (except for loans in the ordinary course of business to unrelated third parties);
- (b) provide any guarantees or other financial assistance (except in the ordinary course of business for the benefit of unrelated third parties);
- (c) make any dividend payments;
- (d) repurchase its shares;
- (e) redeem its share capital or other restricted equity with repayment to shareholders;
- (f) repay principal or pay interest under any subordinated Financial Indebtedness permitted under paragraph (d) or (g) of Clause 13.7.1; or
- (g) make other distributions or transfers of value,

except in each case by a Group Company to or for the benefit of another Group Company (each a “**Restricted Payment**”).

13.6.2 The restriction set out in Clause 13.6.1 shall not apply to Restricted Payments made by, or on behalf of, the Issuer in accordance with Clauses 4.4 and 5.2.

13.6.3 Notwithstanding Clause 13.6.1, the Issuer shall be entitled to,

- (a) make a one-time dividend payment in an amount of up to SEK 80,000,000 within sixty (60) days from the First Issue Date;
- (b) prior to an initial public offering of shares in the Issuer, the Parent or a newly established holding company of either the Issuer or the Parent make dividend payments to its shareholders, provided that such payment(s) to the shareholders does not exceed fifty (50) per cent. of the Group’s consolidated net profit according to the annual audited financial statements for the previous financial year (starting from the annual audited financial statements for 2021 being available); and
- (c) following an initial public offering of shares in the Issuer, the Parent or a newly established holding company of either the Issuer or the Parent, make dividend payments to its shareholders at its own discretion,

in each case, with regard to (b) and (c), provided that the ratio of Net Debt to EBITDA (adjusted on a pro forma basis) is not greater than 2.50:1 (calculated in accordance with Clauses 13.7.2, increasing the Net Debt with the amount of such payment to the shareholders of the Issuer) will be met following any such dividend payment and, with regard to paragraph (c) above, provided that the Issuer has exercised its right to repay forty (40) per cent. of the total Nominal Amount in accordance with Clause 10.4.1.

13.6.4 Notwithstanding Clause 13.6.1, a Group Company shall be entitled to give group contributions (*koncernbidrag*), provided that no cash or other funds are transferred from the Group Company as a result thereof (i.e. the group contributions are merely accounting measures) and provided that such distribution is subsequently converted into a shareholder's contribution (*aktieägartillskott*) by the Parent to the Issuer as soon as practically possible.

### 13.7 Financial indebtedness

13.7.1 The Issuer shall not incur or allow to remain outstanding any Financial Indebtedness other than Financial Indebtedness:

- (a) incurred under the Initial Notes;
- (b) arising as a result of the issuance of any Subsequent Notes in accordance with Clause 2.4;
- (c) arising as a result of guaranteeing the obligations of its Subsidiaries;
- (d) arising under loans granted to the Issuer by the Parent, provided always that such loans are fully subordinated to the Notes to the satisfaction of the Agent, have a maturity of no less than six (6) months after the Final Maturity Date and whereby no creditor is entitled to receive payments of interest or repayments of principal prior to the maturity;
- (e) arising as a result of a refinancing of the Notes in full;
- (f) incurred under the Existing Notes, until such indebtedness has been repaid in full in accordance with Clause 5.2;
- (g) which is fully subordinated to the Notes to the satisfaction of the Agent, has a maturity of no less than six (6) months after the Final Maturity Date and whereby no creditor is entitled to receive payments of interest or repayments of principal prior to the maturity date; and
- (h) not permitted by (a)-(g) above, provided that (i) no Event of Default is continuing or would result from the incurrence of such Financial Indebtedness and (ii) immediately following the incurrence of such Financial Indebtedness the financial covenants set out below (calculated in accordance with Clauses 13.7.2 and 13.7.3) will be met:
  - (i) the ratio of Net Debt to EBITDA (adjusted on a *pro forma* basis) is not greater than 3.25:1 and calculated in accordance with Clause 13.7.2 (as applicable); and
  - (ii) the ratio of EBITDA to Net Interest Payable is not less than 2.50:1 and calculated in accordance with Clause 13.7.3 (as applicable).

13.7.2 The ratio of Net Debt to EBITDA shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than one (1) month prior to the incurrence of new Financial Indebtedness;

- (b) the figures for EBITDA set out in the latest financial statements published pursuant to paragraph (a) or (b) of Clause 12.1.1 (including, when necessary, financial statements published before the First Issue Date) shall be used, but adjusted so that entities acquired or disposed after the end of the measurement period but before the relevant testing date will be included or excluded (as applicable) for the entire measurement period; and
- (c) the amount of Net Debt shall be measured on the relevant testing date but include the new Financial Indebtedness provided that it is an interest-bearing obligation.

**13.7.3 *The ratio of EBITDA to Net Interest Payable shall be calculated as follows:***

- (a) the calculation shall be made for a twelve (12) months period ending on the last day of the period covered by the most recent financial statements published pursuant to paragraph (a) or (b) of Clause 12.1.1; and
- (b) the figures for EBITDA and Net Interest Payable set out in the latest financial statements published pursuant to paragraph (a) or (b) of Clause 12.1.1 (including, when necessary, financial statements published before the First Issue Date) shall be used for such calculation.

**13.7.4** The Issuer shall procure that no other Group Company will incur or allow to remain outstanding any Financial Indebtedness other than Financial Indebtedness:

- (a) incurred under any revolving, overdraft, leasing or guarantee credit facility (including but not limited to the Credit Agreement) in an aggregate amount not exceeding SEK 185,000,000 at any time for the sole purpose of financing short term working capital needs, Financial Leases and guarantees;
- (b) incurred under any credit facility in an aggregate amount not exceeding SEK 45,000,000 provided that such facility is secured by way of first ranking Security over real property;
- (c) incurred by a Group Company (other than the Issuer) from another Group Company;
- (d) arising under any guarantee issued by a Group Company for the obligations of another Group Company;
- (e) arising in the ordinary course of trading with suppliers of goods with a maximum duration of one hundred eighty (180) days or under guarantee of such debt made for the benefit of such suppliers; and
- (f) not permitted by paragraphs (a)-(e) above, provided that the aggregate amount of such Financial Indebtedness does not exceed SEK 30,000,000.

**13.8 Negative pledge**

The Issuer shall not create or allow to subsist any Security over any of its present or future assets or revenues, other than:

- (a) any Transaction Security;

- (b) any Security provided in the form of a pledge over an escrow account to which the proceeds incurred in relation to a refinancing of the Notes in full (a “**Refinancing**”) are intended to be received;
- (c) any Security provided for the benefit of the financing providers in relation to a Refinancing, however provided always that any perfection requirements in relation thereto are satisfied after repayment of the Notes in full;
- (d) any Security created under the Existing Notes, until such security has been released following the redemption of the outstanding notes under the Existing Notes in accordance with Clause 5.2;
- (e) any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
- (f) any lien arising by operation of law, retention-of-title arrangements relating to prepayments or similar arrangements in the ordinary course of trading and not as a result of any default or omission by the Issuer; and
- (g) any other Security created or outstanding on or over assets provided that the aggregate outstanding principal amount secured by all Security created or outstanding under this exception on or over assets of the Issuer must not at any time exceed SEK 3,000,000.

### **13.9 Dealings with related parties**

The Issuer shall, and shall procure that each other Group Company will, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any affiliates of such direct and indirect shareholders at arm’s length terms. In relation to any transaction or series of related transactions with any direct or indirect shareholder or any of their respective affiliates involving an aggregate value in excess of SEK 20,000,000, the Issuer and the Agent shall have received a written opinion from an independent financial advisor that such transaction is fair, from a financial standpoint, to the Issuer and its Subsidiaries or that the terms are not materially less favourable than those that could reasonably have been obtained in a comparable transaction at such time on an arm’s length basis from a person that is not a direct or indirect shareholder or an affiliate thereof. Such fairness opinion shall, in the absence of manifest error, be conclusive and binding evidence for on all parties.

### **13.10 Listing of Notes**

- 13.10.1 The Issuer shall use its best efforts to ensure that the Notes are admitted to trading or listed on a Regulated Market, within thirty (30) days after the issuance of the Initial Notes, and within ten (10) days after the issuance of any Subsequent Notes.
- 13.10.2 Following an admission to trading or listing, as the case may be, the Issuer shall use its best efforts to maintain it for as long as any Notes are outstanding, or if such admission to trading or listing is not possible to obtain or maintain, admitted to trading or listed on another Regulated Market. The Notes are however required to be admitted to trading or listed on a Regulated Market from and including the last day on which the admission reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

### **13.11 Undertakings relating to the Agency Agreement**

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

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

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

### **13.12 CSD related undertakings**

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

## **14. ACCELERATION OF THE NOTES**

14.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 14.6, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) the Issuer does not comply with the provisions of Clause 5 (Escrow of Proceeds);
- (c) a Listing Failure Event has occurred and is continuing six (6) months after the relevant Issue Date;
- (d) any Group Company does not comply with any of the terms of, or acts in violation of, the Finance Documents to which it is a party (other than as set out under paragraphs (a), (b) and (c) above), unless the non-compliance:
  - (i) is capable of remedy; and

- (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the relevant Group Company becoming aware of the non-compliance;
- (e) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), or the Security created or expressed to be created thereby is varied or ceases to be effective and such invalidity, ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Noteholders;
- (f) any corporate action, legal proceedings or other procedure or step is taken in relation to:
  - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation of any Group Company, (other than a solvent liquidation or reorganisation of any Group Company whose shares have not been pledged under a Share Pledge Agreement, other than the Issuer);
  - (ii) a composition, compromise, assignment or arrangement with any creditor of any Group Company, other than the Noteholders; or
  - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation or reorganisation of any Group Company, whose shares have not been pledged under a Share Pledge Agreement, other than the Issuer), administrator or other similar officer in respect of any Group Company or any of its assets;
- (g) any attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of a Group Company, which has a value in excess of SEK 15,000,000, and is not discharged within thirty (30) Business Days or any Security over any asset of any Group Company is enforced;
- (h) any Financial Indebtedness of a Group Company is not paid when due (as extended by any originally applicable grace period), or, is declared or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), in both cases provided that the total amount of such Financial Indebtedness exceeds SEK 25,000,000 and provided that it does not apply to Financial Indebtedness owed to a Group Company;
- (i) any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent; or
- (j) the Issuer merges with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity.

14.2 The Agent may not accelerate the Notes in accordance with Clause 14.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).

- 14.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Notwithstanding the aforesaid, the Issuer may postpone a notification to the Agent pursuant to this Clause 14.3 if, and no longer than as, permitted pursuant to Article 17.4 of the Market Abuse Regulation (EU) No 596/2014.
- 14.4 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default up until the time stipulated in Clause 14.5 for as long as, in the reasonable opinion of the Agent, (i) disclosure of such Event of Default is likely to prejudice the legitimate interests of the Noteholders as a group, (ii) the delay is not likely to mislead the public, and (iii) confidentiality of the information delayed can be ensured. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of the occurrence of an Event of Default that is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).
- 14.6 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 14.7 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.
- 14.8 In the event of an acceleration of the Notes in accordance with this Clause 14, the Issuer shall redeem all Notes at the amount per Note which would be payable in a voluntary total redemption in accordance with Clause 10.3.

## 15. DISTRIBUTION OF PROCEEDS

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

- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, the enforcement of the Transaction Security or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.4.11 together with default interest in accordance with Clause 9.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 9.4 on delayed payments of Interest and repayments of principal under the Notes.

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

- 15.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in paragraph (a) of Clause 15.1, such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with paragraph (a) of Clause 15.1.
- 15.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes or the enforcement of the Transaction Security constitute escrow funds (*redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least ten (10) Business Days before the payment is made. Such notice shall specify the Redemption Date and the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 8.1 shall apply and for any partial redemption in accordance with Clause 10.4 (*Voluntary and mandatory partial redemptions (call and put option)*) due but not made, the Record Date specified in Clause 10.4.1 shall apply (as applicable).

## 16. DECISIONS BY NOTEHOLDERS

### 16.1 Request for a decision

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

- 16.1.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.
- 16.1.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable regulations.
- 16.1.4 The Agent shall not be responsible for the content of a notice for a Noteholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 16.1.5 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the convening Noteholder(s) with the information available in the Debt Register in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Noteholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.
- 16.1.6 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 16.2 (*Convening of Noteholders' Meeting*) or (ii) instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*). After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.2 (*Convening of Noteholders' Meeting*). The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.
- 16.1.7 Should the Issuer or any Noteholder(s) convene a Noteholders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Noteholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

## **16.2 Convening of Noteholders' Meeting**

- 16.2.1 The Agent shall convene a Noteholders' Meeting by way of notice to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a correct and complete notice from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).

- 16.2.2 The notice pursuant to Clause 16.2.1 shall include (i) the time for the meeting, (ii) the place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The background and contents of each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.2.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

### **16.3 Instigation of Written Procedure**

- 16.3.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a correct and complete communication from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.3.2 A communication pursuant to Clause 16.3.1 shall include (i) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise its voting rights, (ii) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (iii) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.3.1). The background and contents of each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. If the voting is to be made electronically, instructions for such voting shall be included in the communication.
- 16.3.3 If so elected by the person requesting the Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Noteholders representing the requisite majority of the total Adjusted Nominal Amount pursuant to Clauses 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

### **16.4 Majority, quorum and other provisions**

- 16.4.1 Only a Noteholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a Noteholder:
- (a) on the Business Day specified in the notice pursuant to Clause 16.2.2, in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

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

16.4.2 The following matters shall require the consent of Noteholders representing at least eighty (80) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:

- (a) the issue of any Subsequent Note, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 600,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
- (b) a change to the terms of any of Clause 2.1, and Clauses 2.5 to 2.7;
- (c) a reduction of the premium payable upon the redemption or repurchase of any Note pursuant to Clause 10 (*Redemption and repurchase of the Notes*);
- (d) a change to the Interest Rate (other than as a result of an application of Clause 18 (*Replacement of Base Rate*)) or the Nominal Amount (other than as a result of an application of Clause 10.4 (*Voluntary and mandatory partial redemptions (call and put option)*));
- (e) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of proceeds*);
- (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 16.4;
- (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (h) a release of the Transaction Security, except in accordance with the terms of the Finance Documents;
- (i) a mandatory exchange of the Notes for other securities; and
- (j) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 14 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to paragraph (a) or (b) of Clause 17.1), an acceleration of the Notes or the enforcement of any Transaction Security.

- 16.4.4 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 16.4.2 (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.4.6 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.2 (*Convening of Noteholders' Meeting*)) or initiate a second Written Procedure (in accordance with Clause 16.3 (*Instigation of Written Procedure*)), as the case may be, provided that person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written procedure pursuant to this Clause 16.4.6, the date of request of the second Noteholders' Meeting pursuant to Clause 16.2.1, or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 16.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 16.4.8 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Notes (irrespective of whether such person is a Noteholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.4.10 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.

- 16.4.12 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Noteholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 16.4.13 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in paragraph (a) or (b) of Clause 16.4.1, as the case may be, and also be published on [www.iduna.se](http://www.iduna.se) and the website of the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## 17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer, any other relevant Group Company, and the Agent (acting on behalf of the Noteholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Notes, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Noteholders as a group, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) is required by any applicable regulation, a court ruling or a decision by a relevant authority;
  - (c) is made pursuant to Clause 18 (*Replacement of Base Rate*); or
  - (d) has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Noteholders.
- 17.2 If the Issuer requests that an amendment or waiver be made pursuant to this Clause 17, the Agent shall have the right to engage an external legal adviser for the purpose of deciding whether the conditions set out in Clause 17.1 are fulfilled. All reasonable costs and expenses incurred by the Agent for such legal advice shall be paid by the Issuer.
- 17.3 Any amendments to the Finance Documents shall be made available in the manner stipulated in Clause 12.4 (*Availability of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority. The Issuer shall promptly publish by way of press release any amendment or waiver made pursuant to paragraph (a) or (b) of Clause 17.1, in each case setting out the amendment in reasonable detail and the date from which the amendment or waiver will be effective.
- 17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## 18. REPLACEMENT OF BASE RATE

### 18.1 General

- 18.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Noteholders in accordance with the provisions of this Clause 18 (*Replacement of Base Rate*) shall at all times be made by such Independent Adviser, the Issuer or the Noteholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.
- 18.1.2 If a Base Rate Event has occurred, this Clause 18 (*Replacement of Base Rate*) shall take precedent over the fallbacks set out in paragraphs (b) to (d) of the definition of STIBOR.

### 18.2 Definitions

In this Clause 18 (*Replacement of Base Rate*):

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

- (a) formally recommended by the Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if paragraph (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to minimise any transfer of economic value from one party to another as a result of a replacement of the Base Rate.

“**Base Rate Amendments**” has the meaning set forth in Clause 18.3.4.

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

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator, that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative for the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information, in each case by the supervisor of the Base Rate Administrator, that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Noteholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period):

- (e) a public statement or publication of information, in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (krishanteringsregelverket), containing the information referred to in paragraph (b) above.

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

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

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

“**Successor Base Rate**” means:

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

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

### **18.3 Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

- 18.3.1 Without prejudice to Clause 18.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense, appoint an Independent Adviser to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 18.3.2.
- 18.3.2 If (i) a Base Rate Event has occurred or (ii) a Base Rate Event Announcement has been made and the announced Base Rate Event will occur within six (6) months, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent Adviser to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining and calculating the applicable Base Rate.
- 18.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 18.3.2, the Noteholders shall, if so decided at a Noteholders’ Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer’s expense) for the purposes set forth in Clause 18.3.2.

18.3.4 The Independent Adviser shall also determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice (a “**Base Rate Amendment**”).

18.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been determined no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, taking into account any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

#### **18.4 Interim measures**

18.4.1 If a Base Rate Event has occurred but no Successor Base Rate and Adjustment Spread have been determined prior to the relevant Quotation Day in relation to the next succeeding Interest Period, the Interest Rate applicable to the next succeeding Interest Period shall be:

- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
- (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

18.4.2 For the avoidance of doubt, Clause 18.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 18 (*Replacement of Base Rate*).

#### **18.5 Notices etc.**

The Issuer shall promptly following the determination by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments give notice thereof to the Agent, the Issuing Agent and the Noteholders in accordance with Clause 24 (*Communications and press releases*) and the CSD, the notice shall also include information on when the amendments will become effective.

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

18.6.1 No later than when the Agent receives a notice pursuant to Clause 18.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined in accordance with the provisions of this Clause 18 (*Replacement of Base Rate*). The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any determination, be binding on the Issuer, the Agent, the Issuing Agent and the Noteholders.

18.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 18.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Noteholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 18 (*Replacement of Base Rate*).

18.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to the amendments pursuant to this Clause 18 (*Replacement of Base Rate*) becoming effective. Neither the Agent nor the Issuing Agent shall be obliged to concur if, in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

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

Any Independent Adviser appointed pursuant to Clause 18.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

## **19. THE AGENT**

### **19.1 Appointment of the Agent**

19.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer, and any legal or arbitration proceeding relating to the perfection, preservation, protection or enforcement of the Transaction Security. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.

19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

19.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

19.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **19.2 Duties of the Agent**

19.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Transaction Security pursuant to the Security Documents on behalf of the Noteholders and, where relevant, enforcing the Transaction Security on behalf of the Noteholders.

- 19.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Agent does not bind the Noteholders or the Issuer.
- 19.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with care and skill in a proficient and professional manner.
- 19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 19.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Noteholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 19.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents, and (iii) in connection with any Noteholders' Meeting or Written Procedure or (iv) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).
- 19.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 19.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iii) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.
- 19.2.9 The Agent shall review each Compliance Certificate delivered to it to determine that its form is conforming to the requirements set out in Clause 12.1.4 and as otherwise agreed between the Issuer and the Agent, and check the information contained therein against relevant Finance Documents and other documentation which pursuant to the Finance Documents has been published or supplied to the Agent pursuant to Clause 12.1 (*Information from the Issuer*). The Agent shall take any actions necessary in accordance with the Finance Documents resulting from the review of such Compliance Certificate.

- 19.2.10 The Agent shall verify that Finance Documents and other documents relating to the Finance Documents which are delivered to the Agent and executed on behalf of Swedish entities are duly authorised and executed (as applicable). For this verification, the Agent may make the assumptions customary found in Swedish legal opinions. Other than in respect of due authorisation and execution of documents executed on behalf of Swedish entities, the Agent shall neither be liable to the Issuer or the Noteholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 19.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 19.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 19.2.13 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 19.2.12.

### **19.3 Liability for the Agent**

- 19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.
- 19.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.
- 19.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- 19.3.4 The Agent shall have no liability to the Issuer or the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with the Finance Documents.
- 19.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

## **19.4 Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure instigated by the retiring Agent.
- 19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 19.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure instigated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.
- 19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall, within thirty (30) days thereafter, appoint a successor Agent which shall be an independent financial institution or other reputable company.
- 19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 19.4.6 The Agent's resignation or dismissal shall only take effect upon the earlier of (i) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent, and (ii) the period pursuant to Clause 19.4.4 (ii) having lapsed.
- 19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 19.4.8 In the event that there is a change of the Agent in accordance with this Clause 19.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **20. THE ISSUING AGENT**

- 20.1 The Issuer shall, when necessary, appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.

20.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Notes.

20.3 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

## **21. THE CSD**

21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Notes.

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

## **22. NO DIRECT ACTIONS BY NOTEHOLDERS**

22.1 A Noteholder may not take any steps whatsoever against any Group Company 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 (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of any Group Company in relation to any of the obligations and liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.

22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 19.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 19.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.13 before a Noteholder may take any action referred to in Clause 22.1.

22.3 The provisions of Clause 22.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 10.5.3 (*Mandatory Repurchase due to a Change of Control Event or a Listing Failure Event*) or other payments which are due by the Issuer to some but not all Noteholders.

## 23. PRESCRIPTION

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

## 24. COMMUNICATIONS AND PRESS RELEASES

### 24.1 Communications

- 24.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address 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
  - (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Noteholders. A Notice to the Noteholders shall also be published on the website of the Issuer and on the website of the Agent.
- 24.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1.1 or, in case of letter, three (3) Business Days after being deposited with postage prepaid in an envelope addressed to the address specified in Clause 24.1.1, or, in case of email, when received in readable form by the email recipient.
- 24.1.3 Any notice or other communication pursuant to the Finance Documents shall be in English. However, financial reports published pursuant to paragraphs (a) and (b) of Clause 12.1.1 may be in Swedish or English.
- 24.1.4 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## 24.2 Press releases

- 24.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 10.3 (*Voluntary total redemption (call option)*), 10.4 (*Voluntary and mandatory partial redemptions (call and put option)*), 10.5 (*Early redemption due to illegality*), 12.1.3, 14.3, 16.2.1, 16.3.1, 16.4.13, 17.2 and 18.5 (*Notices etc.*) shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 24.2.2 In addition to Clause 24.2.1, if any information relating to the Notes or the Group contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

## 25. FORCE MAJEURE

- 25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.
- 25.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.
- 25.3 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 26. GOVERNING LAW AND JURISDICTION

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