

This prospectus was approved by the Swedish Financial Supervision Authority on 16 August 2019.



**MIDSUMMER AB (publ)**

**Prospectus for the admission to trading of  
SEK 200,000,000  
SENIOR UNSECURED FLOATING RATE GREEN NOTES**

**ISIN: SE0012455772**

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**Joint Bookrunners**

**Nordea**

**DNB**  
Markets

## Important information

In this prospectus, the “**Issuer**” means Midsummer AB (publ). The “**Group**” means the Issuer with all its subsidiaries from time to time (each a “**Group Company**”). The “**Joint Bookrunners**” means DNB Markets, DNB Bank ASA, filial i Sverige and Nordea Bank Abp.

Words and expressions defined in the Terms and Conditions beginning on page 35 have the same meanings when used in this prospectus (the “**Prospectus**”), unless expressly stated otherwise follow from the context.

### Notice to investors

The Issuer issued a total of 200 unsecured notes (the “**Initial Notes**”) in the Total Nominal Amount of SEK 200,000,000 on 25 April 2019 (the “**Settlement Date**”) and may also issue subsequent notes (the “**Subsequent Notes**” and together with the Initial Notes, the “**Notes**”) up to an aggregate Nominal Amount of SEK 500,000,000, pursuant to the Terms and Conditions. This Prospectus has been prepared for the admission to trading of the Initial Notes on the sustainable bond list of Nasdaq Stockholm (or another Regulated Market). This Prospectus is prepared solely for the admission to trading of the Initial Notes, if Subsequent Notes are issued a new prospectus will be prepared for such Subsequent Notes. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes.

The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the “**SFSA**”) pursuant to Article 20 in Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the Prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). Approval and registration by the SFSA do not imply that the SFSA guarantees that the information provided in the Prospectus is correct and complete.

This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus.

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 jurisdiction. 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.

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 Prospectus Regulation.

### Forward-looking statements and market data

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 “intend”, “estimate”, “expect”, “may”, “plan”, “anticipate” 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 the Group’s actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in “*Risk factors*”. 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.

### Presentation of financial information

This Prospectus incorporates the Issuer’s consolidated historical financial statements for the financial years 2017 and 2018, which have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board’s general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). The annual reports for the Issuer will as of 1 January 2019 be prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS) as adopted by the EU. For comparability between the financial years ended on 31 December 2017 and 2018 (respectively) and future annual financial statements, the income statement, the balance sheet and the cash flow statement have been recalculated to IFRS and such recalculated numbers have been audited by the Issuer’s auditor. Certain financial and other information presented in this Prospectus has been rounded off for the purpose of making this Prospectus more easily accessible for the reader. As a result, the figures in tables may not tally with the stated totals.

With the exception of the Issuer’s consolidated historical financial statements for the financial years 2017 and 2018 and the IFRS report for the financial years 2017 and 2018, no information in this Prospectus has been audited or reviewed by the Issuer’s auditor. Financial data in this Prospectus that have not been audited by the Issuer’s auditor stem from internal accounting and reporting systems.

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

## SUMMARY

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### Introduction and warnings

This Prospectus has been drawn up in relation to the admission to trading of SEK 200,000,000 senior unsecured floating rate green notes of the Issuer. The legal name of the Issuer is Midsummer AB (publ) (and its commercial name), Swedish corporate ID No. 556665-7838. The registered office of the Board of Directors is situated in Järfälla, Sweden and the Issuer's head quarter is located on Elektronikhöjden 6, SE-175 43 Järfälla. The Issuer's legal entity identifier code ("LEI Code") is 549300ZOWFLNDFSHNB56. The Notes will be uniquely identified by the ISIN SE0012455772.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability may only attach to those persons who have tabled the summary, including any translation thereof, only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, or where it does not provide, together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The SFSA (Brunnsgatan 3, P.O Box 7821, SE-103 97 Stockholm) has, in its capacity as competent authority under the Prospectus Regulation, on 16 August 2019, approved this Prospectus.

### Key information on the Issuer

#### Who is the issuer of the securities?

The legal name of the Issuer is Midsummer AB (publ) (and its commercial name), Swedish corporate ID No. 556665-7838. The Issuer is registered and incorporated in Sweden as a public limited liability company (Sw. *publikt aktiebolag*) and has its statutory seat (Sw. *säte*) in the municipality of Järfälla, Sweden. The Issuer's LEI Code is 549300ZOWFLNDFSHNB56. The Issuer conducts its operations in accordance with the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

#### Principal activities

The Issuer is a supplier of manufacturing equipment to lightweight, flexible solar panels. The Issuer's operations consist of three business areas being (i) supplier of DUO machines, (ii) sales of lightweight flexible solar panels and (iii) service and process support for the DUO machines. The Issuer has developed a technology for the production of lightweight, flexible solar cells and panels, and its major clients are based in USA and China which are the largest solar power markets. The Issuer's ambition is to transform the solar panel market, from a supply of bulky, rigid, heavy panels with glass and aluminium frames, to a market with cleverly designed lightweight, thin, flexible solar solutions fully integrated into roofs, vehicles and other surfaces.

#### Major shareholders

The largest shareholder of the Issuer is Liang Gao, holding approximately 20.4 per cent of shares and votes in the Issuer. The twelve largest shareholders of the Issuer as of 30 June 2019 (and known changes thereafter) are set out in the table below. All of the Issuer's shares are of the same share class and there is no difference in voting power among the shares.

Name of shareholder	Numbers of shares and votes	Shares and votes, %
Liang Gao	6,305,450	20.40
Philip Gao	6,305,400	20.40
Infologix (BVI) Ltd.	2,947,053	9.54
Jan Lombach (as individual and by Gurtenfry AB)	1,754,900	5.68
Sven Lindström	1,537,345	4.97

Alf Linder	1,463,900	4.74
Skandia Fonder	1,050,000	3.40
Eric Jaremalm	987,732	3.20
Göran Lombäck	800,284	2.59
Nordea Småbolag Norden	466,275	1.51
Blue AB	436,400	1.41
Alex Witt	319,600	1.03
Remaining shareholders	6,527,861	21.12
<b>Total number of shares issued:</b>	<b>30,902,200</b>	<b>100</b>

Source: Euroclear Sweden.

### ***Executive Management***

The Executive Management consists of a team of seven (7) persons. The table below sets forth the name and current position of each member of the Executive Management.

<b>Name</b>	<b>Position</b>	<b>Member of Executive Management since</b>
Sven Lindström	Founder, President and CEO	2004
Eric Jaremalm	Founder, CFO	2004
Klara Takei	Cell Hardware Manager	2015
Alex Witt	Operations Manager	2010
Sven Pettersson	Product Manager of DUO Systems	2018
Maria Huttunen	Design Manager	2018
Linda Sjölander	Human Resources and Administration	2018

### ***Auditor***

KPMG AB (Box 743, 194 27 Upplands Väsby) is the Issuer's auditor since 2007. Mattias Lötbörn is the auditor in charge since the annual general meeting on 28 May 2019, while Jan Nordlöv was auditor from 2007 to 2011 and Louise Ronquist was auditor from 2011 to 2019. Mattias Lötbörn, Louise Ronquist and Jan Nordlöv are/were all authorised public accountants and members of FAR, the professional institute for accountants in Sweden.

### **What is the key financial information regarding the Issuer?**

The tables below each set out a summary of key financial information extracted from the Issuer's annual reports (audited) for the financial years ended on 31 December 2017 and 2018 (respectively). Starting with the financial year ending on 31 December 2019, the Issuer will prepare its annual reports in accordance with the International Financial Reporting Standard (IFRS). For comparability between the financial years ended on 31 December 2017 and 2018 (respectively) and future annual financial statements the income statement, the balance sheet and the cash flow statement have been recalculated to IFRS and such recalculated numbers have been audited by the Issuer's auditor. The financial information for the time period from January 2019 to June 2019 has not been audited or reviewed by the Issuer's auditor.

<b>Condensed income statement</b>					
SEK	2018 <i>Reported Issuer</i>	2018 <i>Recalculated to RFR 2 Issuer</i>	2017 <i>Reported Issuer</i>	2017 <i>Recalculated to RFR 2 Issuer</i>	2019 <i>Jan-June IFRS Group</i>
Operating profit/loss	35,749,333	12,158,839	25,002,156	8,544,902	10,983,860

<b>Condensed balance sheet</b>					
SEK	2018 <i>Reported Group</i>	2018 <i>Recalculated to IFRS Group</i>	2017 <i>Reported Issuer</i>	2017 <i>Recalculated to RFR 2 Issuer</i>	2019 <i>Jan-June IFRS Group</i>
Net financial debt	-10,579,439	18,091,855	30,881,095	65,223,337	45,385,455

<b>Condensed cash flow statement</b>					
SEK	2018 <i>Reported Issuer</i>	2018 <i>Recalculated to RFR 2 Issuer</i>	2017 <i>Reported Issuer</i>	2017 <i>Recalculated to RFR 2 Issuer</i>	2019 <i>Jan-June IFRS Group</i>
Cash flow from operating activities	-49,603,098	-34,534,307	37,458,950	37,982,206	-24,407,642
Cash flow from financing activities	84,698,989	91,275,560	14,417,882	-766,450	181,028,745
Cash flow from investing activities	-10,616,092	-32,261,455	-29,221,851	-14,560,775	-17,290,305

### ***Audit qualifications***

There are no qualifications in the audit reports pertaining to the Issuer's annual financial statements for the years ended 2017 and 2018.

### **What are the key risks that are specific to the Issuer?**

#### **Economic and market risks**

##### ***Competition***

There is a risk that the market proves to favour the current or future competitors of the Issuer, that new methods or concepts are being developed by a competitor and/or that the Issuer is being affected by price competition. Such development could have a negative impact on the attractiveness and margin of the Issuer's products which in turn could have a negative impact on the Issuer's results of operations or financial condition.

##### ***Technical development and product development***

There is a risk that rapid developments in solar cells and technology of the type developed and produced by the Issuer may have a negative impact on the Issuer if the Issuer cannot keep up with its competitors rapid developments in solar cells and technology of the type developed and produced by it. Therefore, it may lead to a negative effect on the value of the Issuer's products, product equipment, product processes, know-how and/or market position.

#### **Risk relating to the Issuer's business**

##### ***Security of delivery at growth***

In the event of a sudden increase of demand, there is a risk that the Issuer cannot fulfil their delivery undertakings sufficiently which could result in deteriorating customer relationships which in turn could have a negative impact on the Issuer's business. If the planned expansion requires more capital than envisaged and/or the liquidity available to the Issuer for such purpose is not sufficient there is a risk that the expansion needs to be reduced or suspended which could have a negative impact on the Issuer's business.

### ***Dependence on suppliers and co-operations***

Failure in deliveries and instalments by the Issuer's suppliers and/or to the Issuer co-operated parties' failure to comply with their commitments could have a negative impact on the Issuer's ability to maintain profitability and the ability to meet the increased demand from its customers which could lead to that its customers will favour its competitor's products, which in turn could have a negative impact on the Issuer's business and results of operations.

## **Financial risks relating to the Issuer**

### ***Refinancing risks***

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Issuer falls due and needs to be refinanced. Adverse economic conditions may, in the longer-term, impair the Issuer's ability to service its payment obligations and/or comply with the debt covenants, which could also have an adverse effect on the Issuer's business, prospects, financial condition, results of operations and cash flows. Additionally, uncertainty in the financial markets may also adversely affect the Issuer's ability to access financing or to refinance existing debt, which could have a negative impact on the Issuer's business and financial condition.

### ***Foreign exchange risk***

The Issuer reports in SEK but the majority of the Issuer's sales are, at the time of this Prospectus, made in USD. Also, a significant amount of the material costs and process costs are currently in USD and EUR, which are recalculated to SEK on each payment day. Fluctuations in foreign currency exchange rates could therefore have a negative impact the Issuer's results of operations.

### ***Credit risks***

The Issuer's credit risk refers mainly to account receivables. If the Issuer is not successful in managing its credit risks or if its counterparties are unable to pay its debts as they fall due causing a delay, it may have a negative impact on the Issuer's liquidity which could increase the Issuer's financing needs. Further, if the Issuer's counterparty are unable to pay its debt in whole or in part this could have a have a negative impact on the Issuer's results of operations or financial condition.

## **Legal and regulatory risks relating to the Issuer**

### ***Statutes and subsidies***

The Issuer is affected by current statutes and policies. Future changes, especially related to "green energy" such as aid, tax reliefs and other forms of policy tools designed to direct demand, may have a negative impact on the on the attractiveness of the Issuer's products, which may in turn have a negative impact on the Issuer's business.

## **Key information on the securities**

### **What are the main features of the securities?**

The Notes are senior unsecured floating rate green notes. There is no offering to purchase, subscribe for or sell the Notes. The Notes are unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. *ensidig skuldförbindelse avsedd för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*). The Notes will be uniquely identified by the ISIN SE0012455772.

The initial nominal amount of each Note is SEK 1,000,000. The Notes are denominated in SEK, Interest will be payable in SEK and any amount payable on redemption will be in SEK. The Issuer issued a total of 200 unsecured notes in the Total Nominal Amount of SEK 200,000,000 on 25 April 2019, and may also issue subsequent notes up to an aggregate Nominal Amount of SEK 500,000,000, pursuant to the Terms and Conditions.

The Noteholders are entitled to receive Interest on the outstanding Notes. 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. 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.

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. The Notes entitle a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount to request for a decision by the Noteholders on a matter relating to the Finance Documents. Such request shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way of a Written Procedure, as determined by the Agent.

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.

The Notes are freely transferable. However, 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.

Interest and Interest Payment Date. The Notes carries Interest from (but excluding) 25 April 2019 to the Relevant Redemption Date. The Interest is a floating rate of STIBOR (3 months) plus the Margin (8.50 per cent. per annum), with quarterly interest payments on 25 April, 25 July, 25 October and 25 January of each year.

The Final Maturity Date of the Notes are 25 April 2023. 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.

***Voluntary Redemption (call option).*** The Issuer may redeem all, but not some only, of the outstanding Notes in full:

- (a) any time from and including the First Call Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date at an amount per Note equal to 104.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (b) 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-six (36) months after the First Issue Date at an amount per Note equal to 103.40 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling thirty-six (36) months after the First Issue Date to, but excluding, the first Business Day falling forty-two (42) months after the First Issue Date at an amount per Note equal to 101.70 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (d) any time from and including the first Business Day falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100.85 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (e) notwithstanding paragraph (d) above, at any time from and including the first Business Day falling three (3) months before the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that the aggregate outstanding Nominal Amount of the Notes are refinanced in full by way of the Issuer issuing a new Market Loan in which the Noteholders shall have the possibility to participate (subject to the Issuer's decision on allocation).

***Early Redemption due to illegality (call option).*** 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 date determined by the Issuer if it is or becomes unlawful for the Issuer to perform its obligations under the Finance Documents.

***Mandatory repurchase due to a Change of Control Event or an Admission to Trading Failure Event.*** Upon the occurrence of a Change of Control Event, each Noteholder shall 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, during a period of twenty (20) Business Days following a notice from the Issuer of the Change of Control Event (after which time period such rights lapse). Upon the occurrence of an Admission to Trading Failure Event, each Noteholder shall during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Admission to Trading Failure Event (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.

### **Where will the securities be traded?**

The Initial Notes will be admitted to trading at Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.

### **What are the key risks that are specific to the securities?**

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

##### ***Preferential rights of creditors –unsecured obligations***

The Notes represent an unsecured obligation of the Issuer. Every investor should be aware that by investing in the Notes, it risks losing the entire, or parts of, its investment in the event of the Issuer's liquidation, bankruptcy or company reorganisation.

#### **Risks relating to debt instrument such as the Notes**

##### ***European Benchmarks Regulation***

The Notes have STIBOR as interest base which is regulated by the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the “**Benchmarks Regulation**”). Since the regulation has only been applicable for a limited period of time, the effects of the regulation cannot be fully assessed. There is a risk that the Benchmarks Regulation (and further guidance in relation to it) may affect how interest rate benchmarks such as STIBOR are calculated and developed.

#### **Risks relating to the admission of the Notes to trading on a regulated market**

##### ***Secondary market and liquidity risk***

The Issuer cannot assure that a liquid trading of the Notes will occur and be maintained. There is a risk that the Notes will not be approved for trading or listing. If the Issuer fails to procure admission to trading or listing, investors will not be able to hold the Notes on an investment savings account (*ISK or IS-konto*). Even if the Notes are admitted to trading or listed on a regulated market, there is a risk that demand for and trading in the Notes will not develop or, if developed, is not sustained. Each of the above, alone or in combination, may result in a Noteholder being unable to sell its Note(s) at a desired time or at a yield which is comparable to similar investments that have an existing and functioning or secondary market.

### **Key information on the admission to trading on a regulated market**

#### **Under which conditions and timetable can I invest in this security?**

Not applicable. This Prospectus is issued in conjunction with an admission on Nasdaq Stockholm (or another Regulated Market) and there is no offer to acquire Notes.

#### ***Terms and conditions and expected timetable for the offering***

Not applicable. This Prospectus is issued in conjunction with an admission on Nasdaq Stockholm (or another Regulated Market) and there is no offer to acquire Notes.

#### ***Details of the admission to trading on Nasdaq Stockholm***

This Prospectus has been prepared for the admission to trading of the Initial Notes on the sustainable bond list of Nasdaq Stockholm (or another Regulated Market). This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes.

#### **Why is this Prospectus being produced?**

This Prospectus has been prepared to enable the Initial Notes to be admitted to trading on the sustainable bond list of Nasdaq Stockholm (or another Regulated Market) which is a requirement from the Noteholders.

***Use and estimated net amount of proceeds***

The estimated net amount of proceeds from the issue of the Initial Notes is SEK 200,000,000 less customary transaction costs and fees. The Unrestricted Proceeds of the Notes Issue have and shall be applied towards general corporate purposes in accordance with the Green Bond Framework.

***Material conflicts***

DNB Markets, DNB Bank ASA, filial Sverige and Nordea Bank Abp are Joint Bookrunners in conjunction with the issuance of the Initial Notes. The Joint Bookrunners (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

## RISK FACTORS

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*In this section, a number of risk factors are illustrated and discussed, both risks pertaining to the Issuer's economic and market risks, business risks, legal and regulatory risks, and structural risks relating to the Notes and risks related to debt instrument such as the Notes. The assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact is disclosed by rating the relevant risk as low, medium or high.*

*The risk factors are presented in categories where the most material risk factors in a category is/are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.*

### Risks relating to the Issuer

#### Economic and market risks

##### **Competition**

The Issuer is a supplier of turnkey systems for manufacturing of flexible solar cells and panels. There are several operators within the market of solar cells and panels designed to generate electricity who use various types of technologies. Accordingly, there is a risk that the market proves to favour the current or future competitors of the Issuer. There is also a risk that new methods or concepts develop, which may receive more acceptance than those solutions offered by the Issuer.

For example, perovskite solar cells (which is a different technology from the technology used by the Issuer) have recently received a lot of attention and progress in efficiency. Even though that technology is far from mature and field proven, customers might delay purchase decisions in fear of new technology development such as perovskite solar cells. Further, some companies have also developed light weight solar panels based on fragile Si-solar cells. So far they have not captured any significant market and most of those products lack standard safety certifications.

Development/research of such technologies are mainly done on corporate level and normally kept as a well-guarded secret until the day of product launch/introduction and it is therefore not possible to provide predict or describe potential competing technologies more than on a general level. However, if they are able to develop and certify a light weight product based on the cheaper Si-technology (or any other type of technology it could provide price pressure on the Issuer's and the Issuer's customers products which in turn could have a negative impact on the attractiveness and margin of the Issuer's products which could have a negative impact on the Issuer's results of operations or financial condition.

Although the Issuer deems the likelihood of a fast and widespread introductions of the competing technologies as described above (or other technology's than the ones used by the Issuer) to be low, if any of these risks materialise, it may have a material negative impact on the Issuer's business which in turn could have a negative effect on its results of operations.

Further, a financially strong competitor may use price reductions with the purpose of quickly gaining market shares or to establish themselves on the market with similar products as the Issuer. Price competition is particularly likely within the solar cell sector, where technologies different to those marketed by the Issuer may prove to be more economical. If any of these risks materialise, it may have a material negative effect on the Issuer's margin on sold products which in turn could have a negative impact on the Issuer's results of operations or financial condition.

Risk rating: High

##### **Technical development and product development**

The Issuer operates in an industry that is characterised by constant and rapid developments in technology, science and know-how. For example, Perovskite tandem solar cells (where a layer of perovskite is placed on top of a Si-solar cell) have proven high efficiency even though it is still in laboratories. There is also some development going on with building integrated photovoltaics (BIPV) where for example Tesla has launched a solar roof where the solar cell replaces traditional ceramic tiles. The future success of the Issuer will depend on the Issuer's ability to adjust to external factors and meet changes in demand from customers by adjusting offers

and developing new and competitive products. Solar cells and the type of technologies developed and produced by the Issuer may be subject to rapid technological development or replaced completely by more efficient technologies. If the Issuer cannot keep up with its competitors rapid developments in solar cells and technology of the type developed and produced by the Issuer it may lead to a negative effect on the value of the Issuer's products, product equipment, product processes, know-how and/or market position. If any of these risks materialise, it could have a negative effect on the Issuer's business which in turn could have a negative impact on the Issuer's results of operations or financial condition.

Risk rating: High

## **Risk relating to the Issuer's business**

### ***Security of delivery at growth***

The Issuer is currently in a phase of expansion and plans to continue expanding in the upcoming years. For example, the company's equipment customers are in the initial phase of building up their production facilities and market. Currently, a "standard" factory consists of 8 DUO machines with an annual capacity of 40 MW. Even though 8 machines is currently a large order for the Issuer, the Issuer's view in the longer term is that its customers will not settle for a capacity of 40MW but that they will rather plan to establish gigawatt factories which would require some 200 DUO machines. If such expansion occur it will put stress on the financial conditions of the Issuer as it currently do not have the capacity to produce such volumes without significant additional investments being made. If the Issuer cannot obtain the funds necessary for investments to meet an increased demand of its products, there is a risk that its customers will favour its competitor's products which in turn could have a negative impact on the Issuer's business.

As described above, at the date hereof, the Issuer's ability to produce and deliver production equipment and products is limited. Increased sales and delivery volumes would place high demands on, for example, the internal organisation, suppliers' abilities and the need for working capital. A sudden increase of demand could lead to problems with delivery times and levels of quality. There is a risk that the Issuer cannot fulfil its delivery undertakings sufficiently, which could result in deteriorating customer relationships which in turn could have a negative impact on the Issuer's business.

Further, in the shorter term the Issuer's planned expansion require liquidity to be able to finance such expansion. If the expansion requires more capital than envisaged and/or the liquidity available to the Issuer for such purpose is not sufficient, there is a risk that the expansion needs to be reduced or suspended which could have a negative impact on the Issuer's business.

Risk rating: Medium

### ***Dependence on suppliers and co-operations***

The Issuer utilises a number of suppliers who are important to the Issuer's ability to produce products in a sufficient amount and quality, and with sufficient security of delivery. To maintain profitability in each project, the Issuer depends on that ordered products are delivered and installed with sufficient reliability and quality. This is particularly important during the phase of expansion the Issuer is currently in. Should the suppliers fail to deliver and install ordered products, it could have a negative impact on the Issuer's ability to maintain profitability. Failure in deliveries and instalments may also create demands in the future for further extensions in recapitalisations/capital supply by, for example, a rights issue.

The ability for the Issuer's supplier to follow in the future expansion is critical. For example, if the Issuer's customers aim to establish gigawatt factories which would require some 200 DUO machines, the Issuer would be dependent on its suppliers being able to deliverer necessary components, raw materials and other ancillary equipment, components etc. If such suppliers cannot deliverer the quantity or quality in a timely manner, there is a risk that the Issuer will be unable to meet the increased demand from its customers which could lead to that its customers will favour its competitor's products which in turn could have a negative impact on the Issuer's business and result from operations.

An integrated part of the Issuer's operations and business model is to co-operate with various parties within the production-, distribution-, and instalment process. These co-operations are made with parties whom the Issuer considers fulfil the requisite quality requirements to maintain the Issuers demand for quality and security of

delivery. There is a risk that these parties do not fulfil their commitments or that their ability to fulfil their commitments in quality and delivery is limited by external factors. These factors may affect the Issuer's ability to maintain sufficient profitability, which in turn could have a negative impact on the Issuer's results of operations.

Differences in organisational or corporate culture, leadership and organisations could lead to problems with integration of co-operation. The conditions that based the co-operations, such as set goals, committed market shares and the quality and performance of the products, may prove to be wrong. Loss of results may also arise due to unpredicted legal, regulatory or contractual issues. Difficulties in realising operational synergies or failure to maintain the Issuer's usual quality of delivery and service, could also result in a decrease in result. Negative effects could result from co-operations and joint investments that distract the management's attention from the daily business. If any of the risks described above would materialise, it could have a negative impact on the Issuer's business.

Risk rating: Low

### ***Dependence on components and raw material***

The Issuer depends on a number of components and raw material for the production of solar cells. For example, the Issuer's main product is a complex piece of equipment dependent on several key components like sputter power supplies, turbo molecular pumps and other vacuum and electrical components. From time to time when there is a boom in the semiconductor equipment market, components like turbo molecular pumps and other components can experience long lead times. These components are difficult to replace. In early 2018 the lead time for turbo molecular pumps increased from 12 to 28 weeks, causing increased lead times or re-design of some parts (and higher cost) of the equipment to host another brand of pump. Another example is non-critical electrical components where a sub-supplier relocated his factory and caused unannounced delays in deliveries causing production halts and re-scheduling in the production of the Issuer's equipment production. There is a risk that situations may arise where certain materials become difficult to obtain or where shortage arise. Supply of inputs and raw materials may for example be limited by political decisions, natural disasters warfare or other extraordinary situations. As a consequence, the current levels of production and deliveries could be difficult to maintain or cease completely, which could have a negative impact on the Issuer's business. Further, if the availability of certain components or raw materials decrease there is a risk that the price of such component or raw material increase which in turn would lead to an increase of the production cost for the Issuer's products, if such risk materialise the margin of the Issuer's sold products could decrease which in turn could have a negative impact on the Issuer's result of operations.

Risk rating: Low

### ***Product liability and guarantees***

The Issuer's products are subject to product and warranty liabilities. Suppliers and assemblers generally have limited obligations to replace the Issuer for faulty deliveries or installed products. Replacement claims may be directed towards the Issuer by their customers and of persons who suffer harm in production or use any of the Issuer's products. The Issuer normally demand 18 months warranty from suppliers, so that the Issuer can give 12 months warranty to its customers, allowing for manufacturing and shipping time. However, if production delays occur, components could fall out of suppliers warranty, but still be under Issuer's warranty. Hence, there is a risk that claims are directed directly towards the Issuer and that the Issuer may not be able to receive reimbursement for such claims from any relevant third party. To the extent warranty claims and product liability claims are not covered by the Issuer's insurance or pursuant to which the Issuer cannot direct claims towards third parties, this could have a negative impact on the Issuer's results of operations or financial condition. Should the Issuer suffer damage or receive a claim for reimbursement that is not covered or only partially covered by the insurance, it could lead to increased costs for the Issuer which in turn might have a negative impact on the Issuer's results of operations.

Risk rating: Low

### ***Co-operation with Sunflare Inc.***

The Issuer co-operates with the American company Sunflare Inc (“**Sunflare**”), on sales and production on the Chinese and American markets. Sunflare is responsible for financing solar cell factories in Asia and has the main responsibility of mass production of solar cells and flexible solar cell panel solutions. Sunflare is also responsible for sales in China. The Issuer is responsible for process and of production controls in mass production. Sunflare is also responsible for sales of flexible solar cell solutions in the US and OEM collaborations with American companies, where the Issuer’s products are integrated into other manufacturer’s products, or sold under other brands. If any problems occur within the co-operation with Sunflare or if such cooperation is terminated, it could have a negative impact on the Issuer’s ability to sell or maintain its current sales and production on the Chinese and American markets which in turn could lead to a negative impact on the Issuer’s business and/or results of operations.

There is a risk that the co-operation with Sunflare will not proceed as expected, that the terms for such co-operation is materially adversely changed or such cooperation being terminated. Circumstances may arise that make it increasingly difficult for Sunflare to participate, or completely prevent them from participating, in the development and financing of new solar cell factories in China. The construction and financing of solar cell factories in China has made the Sunflare-projects the largest projects yet for the Issuer. They constitute the majority of the Issuer’s earnings and turnover to date. If any of the risks described above would materialise, it could have a negative impact on the Issuer’s access to production in China and the Issuer’s access to the Chinese market which in turn could have a significant negative impact on the Issuer’s turnover and result from operations.

Risk rating: Low

### ***Dependence on personnel***

The Issuer is highly dependent on a number of key persons, such as Sven Lindström and Eric Jaremalm. Should one or both of them leave the Issuer, it could delay or impair the future development of the Issuer. It is also essential for the success of the Issuer to attract and keep qualified personnel, or else it could affect the Issuer’s ability to complete the phase of expansion it is currently in. For example, approximately 10 per cent. of the Issuer’s employees are Ph.D.’s who, together with the remaining R&D personnel, are working with improving the quality of the solar cells and developing new types of innovative solar panels. If the Issuer would be unable to retain and/or hire such qualified personnel at reasonable compensation levels, it could also have a negative impact on the Issuer’s costs and ultimately its business.

Risk rating: Low

## **Financial risks relating to the Issuer**

### ***Refinancing risks***

Refinancing risk is the risk that financial costs could be higher and/or the refinancing possibilities could be limited or non-existent when the Notes or other debt owed by the Issuer falls due and needs to be refinanced. The final maturity date of the Notes is 25 April 2023, in order for the Issuer to repay the Notes on such final maturity date it must for example have generated enough cash from its business operations to make such repayment, be able to incur new financial indebtedness in an amount sufficient to repay the Notes or otherwise obtain the cash necessary to make such repayment. The obligations under the Notes constitute the vast majority of the financial indebtedness of the Issuer and the possibility to incur additional financial indebtedness is contractually limited by the Terms and Conditions of the Notes (although there are possibilities to incur additional financial indebtedness under certain circumstances).

Adverse economic conditions may, in the longer-term, impair the Issuer’s ability to service its payment obligations and/or comply with the debt covenants, which could also have an adverse effect on the Issuer’s business, prospects, financial condition, results of operations and cash flows. Additionally, uncertainty in the financial markets may also adversely affect the Issuer’s ability to access financing or to refinance existing debt.

Ultimately, if the Issuer is unable to refinance existing financial indebtedness on the relevant due dates it may lead to its creditors taking action against it (for example initiating court proceedings, attachment or filing for

bankruptcy for the Issuer), which in turn could have a negative impact on the Issuer's business and financial condition.

Risk rating: Medium

### ***Foreign exchange risk***

Currency risk is the risk that changes in exchange rates will adversely affect the Issuer's cash flow, income statement and balance sheet. The Issuer reports in SEK but the majority of the Issuer's sales are, at the time of this document, made in USD. For example, a 10 per cent. increase of SEK against USD would per 31 December 2018 have led to a change of the equity and result of operations of the Issuer in an amount of SEK -13,7 million. Should USD weaken against SEK there is a risk that the sales of the Issuer in SEK would decrease if the Issuer is unable to make a corresponding increase the price of its sold products. If such risk would materialise, it could have a negative impact on the Issuer's results of operations.

Also, a significant amount of the material costs and process costs are currently in EUR, which are recalculated to SEK on each payment day. Should EUR strengthen towards SEK or USD, it could have a negative impact on the Issuer's results of operations and future need of capital.

In connection with the future development of the Issuer and increased sales on other markets than the Swedish market, a larger portion of the sales may be in other currencies than SEK. Fluctuations in foreign currency exchange rates could therefore have negative impact the Issuer's results of operations.

Risk rating: Low

### ***Credit risks***

Credit risk is the risk that a counterparty to a transaction will be unable to fulfil its contractual financial obligations, resulting in a loss for the Issuer. The Issuer's credit risk refers mainly to account receivables. If the Issuer is not successful in managing its credit risks or if its counterparties are unable to pay its debts as they fall due causing a delay, it may have a negative impact on the Issuer's liquidity which could increase the Issuer's financing needs. Further, if the Issuer's counterparty are unable to pay its debt in whole or in part this could have a have a negative impact on the Issuer's results of operations or financial condition.

In particular, the Issuer's strategy to enter into contracts with contract manufacturers imply a financial risk for the Issuer as a contract manufacturer will only make a down payment of approximately 30 per cent. of the purchase price for a DUO machine when placing an order and will pay the residual amount of the purchase price in instalments. If a contract manufacturer (i.e. a third party) becomes insolvent, there is a risk that the Issuer's demand for payment under the contract is not fulfilled. If the contract manufacturer does not have sufficient liquidity to fulfil its obligations under the contract with the Issuer, this could have a negative impact on the Issuer's business or results of operations.

Risk rating: Low

### ***Trade tariffs, custom duties and trade barriers***

The Issuer is affected by current trade tariffs, custom duties and trade barriers. For the Issuer the markets in China and the US are important and the potential new and/or increased trade barriers imposed on solar panels produced in China and exported to the US could lead to a general downturn in the market for solar panels which could lead to a decrease in the demand of the Issuer's products. Future changes in current trade tariffs, custom duties and trade barriers may therefore have a negative impact on the Issuer's opportunity to production in, and/or sales to, countries abroad (primarily being China and the US). Also, new or increased trade tariffs, custom duties and trade barriers might cause a delay in customer purchase decision even though the underlying demand is still unchanged. New or increased trade tariffs, custom duties and trade barriers might cause customers to move factories to other territories and thus causing the delay but it is in the Issuer's opinion more likely that e.g. China is more focused on stimulating unique technologies and companies wanting to start production in China.

A change in current trade tariffs, custom duties and trade barriers may therefore negatively affect the Issuer's ability to pursue with its business in different markets. Further, future changes in current trade tariffs, custom

duties and trade barriers may also have negative impact on the price and/or availability of critical supplies and products necessary for the Issuer's and its customers' business, which in turn may lead to an increase in the Issuer's production costs or its customers' ability to purchase its products which in turn could have a negative impact on the Issuer's business and results of operations.

Risk rating: Low

### ***Risks related to covenants in debt documents***

The Issuer's debt levels, debt service obligations and compliance with related covenants could have important consequences for the Issuer, including the following:

- its financial and operational flexibility in planning for, or responding to, changes in the Issuer's business and industry could be limited;
- its ability to fund internal growth through working capital and capital expenditure and for other general corporate purposes could be limited;
- its ability to obtain additional financing in the longer term, including its ability to refinance its bank borrowings on comparable terms, or at all, could be limited;
- its ability to exploit business opportunities or make acquisitions or investments could be restricted; and
- in the event of a downturn in revenue, its leverage could have a disproportionately adverse effect on its profitability,

each of which, alone or in combination, could have a material adverse effect on the Issuer's ability to pursue its current expansion and the ability to seize future business opportunities which in turn could have a negative effect on the business.

Risk rating: Low

### ***Interest rate risks***

Interest rate risk is the risk that changes in market interest rates will have a negative impact on the net profit, cash flow or the fair values of financial assets and liabilities. For example, the Issuer's level of debt creates an exposure to interest rate risk where an increase in the interest rates on its debt obligations would lead to higher financing costs. Currently, the vast majority of the Issuer's financial indebtedness consist of the indebtedness incurred under the Notes. For example, a change of the interest rate with +/- 1 per cent. during the coming twelve month period would have an impact of approximately +/- SEK 2 million on the Issuer's interest income/expense. If such risk would materialise, this could have a negative impact on the Issuer's results of operations or financial condition.

Risk rating: Low

## **Legal and regulatory risks relating to the Issuer**

### ***Statutes and subsidies***

The Issuer is affected by current statutes and policies, particularly different forms of policy tools that benefit investments in "green energy". Certain forms of energy (such as solar energy) may be subject to various aids or subsidies and future changes in aid, tax reliefs and other forms of policy tools designed to direct demand to other energy sources than solar energy, or a reduction of current actions favouring solar energy, may have negative impact on the Issuer's development. For example, policies in feed-in tariffs can suddenly change which happened in Spain during 2008. Similarly there has been debate in Sweden regarding the investment grant of 20-30% currently available for photovoltaics (PV) installations in Sweden. This level has dropped from 60% when it was first introduced in 2009 and the budget has been increased with a certain lag due to higher interest from the public than anticipated. Such changes in policies, subsidies etc. could have a sudden and short term impact on the Issuer's business as certain incentives for its customers, and its customers customers, may decrease.



Further, if other types of technologies or methods than those marketed by the Issuer and its partners are subject to aid or subsidies it may have impact on the attractiveness of the Issuer's products, which may in turn have a negative impact on the Issuer's business.

Risk rating: Medium

### ***Risks related to labels and certifications***

The Issuer's products are subject to mandatory and voluntary labelling and certification. The Issuer's solar panels are for example certified by Kiwa according to IEC 61646 and IEC 61730, by Underwriters Laboratories Inc. (UL) according to UL1703 and are CE-marked. The UL certification is a requirement for the US market and *inter alia* entail that the Issuer's solar panels is eligible to be installed on industrial roofs in areas in California which are deemed to be high risk for forest fire. In addition, different standards of industry and certificates must be complied with. The Issuer must therefore establish technical documentation of the products and guarantee that the products comply with the requirements to receive the relevant certificates and labels. Although the Issuer follows standards and conduct third party evaluations regarding labelling and certification, if the Issuer cannot comply with the requirements to obtain or maintain the relevant labels or certificates, it could restrict and/or prohibit the Issuer's ability to sell its products on certain markets (such as the US market) and/or, expose the Issuer to potential liability for sale of unlabelled or uncertified products, which in turn could have a negative impact on its business and results of operations.

Risk rating: Low

### ***EU General Data Protection Regulation***

The Issuer handles personal data within its ordinary course of business, for example in relation to employees and customers. The European Union's regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (the "GDPR") includes new requirements for processing of personal data. To comply with the GDPR, the Issuer has been obliged to implement new data processing policies and dedicate a significant amount of time to ensure compliance with the GDPR. This may create challenges for the Issuer, as it will need to ensure that its policies and procedures are compliant with the GDPR at all time. Failure to comply with the GDPR exposes the Issuer to substantial monetary fines which could have a negative impact on the Issuer's results of operations.

Risk rating: Low

## **Risks relating to the Notes**

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

#### ***Preferential rights of creditors –unsecured obligations***

The Notes represent an unsecured obligation of the Issuer. This means that in the event of the Issuer's liquidation, company reorganisation, bankruptcy or other insolvency proceedings the Noteholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been fully paid. Further, following prioritised creditors receiving payment in full, the Noteholders will have an unsecured claim against the Issuer for the amounts due under or in respect of the Notes, which means that the Noteholders normally would receive payment *pro rata* with other unsecured creditors. Every investor should be aware that by investing in the Notes, the risk of losing the entire, or parts of, its investment in the event of the Issuer's liquidation, bankruptcy or company reorganisation will be higher should there be prioritised or other unsecured creditors with claims on the Issuer.

Risk rating: Medium

## **Risks relating to the admission of the Notes to trading on a regulated market**

### ***Secondary market and liquidity risk***

The Issuer cannot assure that a liquid trading of the Notes will occur and be maintained. The Issuer will apply for admission to trading and listing of the Notes at Nasdaq Stockholm, or, if such admission to trading is not possible to obtain or maintain, for admission to trading or listing on another regulated market after the SFSA approves a prospectus for this purpose. However, there is a risk that the Notes will not be approved for trading or listing. If the Issuer fails to procure admission to trading or listing, investors will not be able to hold the Notes on an investment savings account (*ISK* or *IS-konto*), thus affecting such investor's tax situation, and/or the Notes may not be a suitable investment for some investor e.g. due to that they are not compatible with the investment objectives of the relevant investor. Even if the Notes are admitted to trading or listed on a regulated market, there is a risk that demand for and trading in the Notes will not develop or, if developed, is not sustained.

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

Risk rating: Medium

## **Risks relating to debt instrument such as the Notes**

### ***European Benchmarks Regulation***

The Notes have STIBOR as interest base. STIBOR constitutes a benchmark according to the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "Benchmarks Regulation") which entered into force 1 January 2018. The Benchmarks Regulation regulates the provision of a benchmark, contribution of input data for the purpose of determining a benchmark and the operation of benchmarks within the EU. Since the regulation has only been applicable for a limited period of time, the effects of the regulation cannot be fully assessed. There is, however, a risk that the Benchmarks Regulation (and further guidance in relation to it) may affect how interest rate benchmarks such as STIBOR are calculated and developed. This in turn may give rise to increased volatility for some interest rate benchmarks such as STIBOR. In addition, the increased administrative requirements and the associated regulatory risks may decrease the will of some parties to participate in the determination of interest rate benchmarks such as STIBOR or to the fact that certain interest rate benchmarks will cease to be published. If this is the case for STIBOR, and e.g. the relevant fall-back solution evident from the Terms and Conditions should not work properly or negatively for either or both of the Issuer or the Noteholders, this may e.g. lead to difficulties with determining and calculating interest which in turn could lead to costly and time consuming discussions (and maybe even disputes) in respect of the matter, which in each case could have an adverse effect on the Notes, the Issuer and/or the Noteholders.

Risk rating: Low

## OVERVIEW OF THE NOTES AND USE OF PROCEEDS

*This section (Overview of the Notes) is only intended to serve as an introduction to the Notes. Any decision to invest in the Notes shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The Terms and Conditions of the Notes are found on page 35 and onwards below.*

### The Notes

The Initial Notes have an Nominal Amount of SEK 1,000,000 each and are denominated in Swedish kronor. The aggregate nominal amount of the Initial Notes is SEK 200,000,000. In total, 200 Initial Notes have been issued. All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

Subsequent Notes may be issued in accordance with Clause 2 of the Terms and Conditions. This Prospectus is prepared solely for the admission to trading of the Initial Notes, if Subsequent Notes are issued a new prospectus will be prepared for such Subsequent Notes.

### ISIN and trading code

The Notes have been allocated the ISIN code SE0012455772. The Notes will also be allocated a trading code upon admission to trading. Such trading code has not been allocated at the date of this Prospectus.

### Form of the Notes

The Notes are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Noteholder. Hence, no physical notes have been issued. The Notes are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Notes shall be directed to an Account Operator. The Notes are governed by Swedish law and are unilateral debt instruments intended for public trading as set out in Chapter 1 Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. *ensidig skuldförbindelse avsedd för allmän omsättning enligt 1 kap. 3 § lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

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 laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

### Status of the Notes

The Notes are constituted by the Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with the Terms and Conditions.

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least *pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.

## Issuance, repurchase and redemption

### First Issue Date and Final Maturity Date

The Initial Notes were issued on 25 April 2019. Unless previously redeemed or repurchased and cancelled in accordance with the Terms and Conditions, the Issuer shall redeem all, but not some only, of the outstanding Notes in full with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest on 25 April 2023 (the “**Final Maturity Date**”).

### Voluntary total redemption (call option)

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

Period of time	Price per Note
Any time from and including the First Call Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date.	At an amount per Note equal to 104.25 per cent. of the Nominal Amount together with accrued but unpaid Interest.

Period of time	Price per Note
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-six (36) months after the First Issue Date.	At an amount per Note equal to 103.40 per cent. of the Nominal Amount, together with accrued but unpaid Interest.
Any time from and including the first Business Day falling thirty-six (36) months after the First Issue Date to, but excluding, the first Business Day falling forty-two (42) months after the First Issue Date.	At an amount equal to 101.70 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Any time from and including the first Business Day falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date.	At an amount equal to 100.85 per cent. of the Nominal Amount together with accrued but unpaid Interest.
Notwithstanding the above, at any time from and including the first Business Day falling three (3) months before the Final Maturity Date to, but excluding, the Final Maturity Date.	At an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that the aggregate outstanding Nominal Amount of the Notes are refinanced in full by way of the Issuer issuing a new Market Loan in which the Noteholders shall have the possibility to participate (subject to the Issuer's decision on allocation).

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

See further in Clause 10.3 of the Terms and Conditions.

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

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 in Clause 10.4 of the Terms and Conditions.

#### **Repurchase upon a Change of Control Event (put option)**

Upon the occurrence of a Change of Control Event, each Noteholder shall 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, during a period of twenty (20) Business Days following the effective date of a notice from the Issuer of the Change of Control Event (after which time period such right shall lapse).

“Change of Control Event” means, in relation to shares of the Issuer, an event or series of events resulting in (a) one or more persons acting together, acquire control over the Issuer and where “control” means (A) acquiring or controlling, directly or indirectly, more than fifty (50) per cent. of the voting shares of the Issuer, or (B) the right to, directly or indirectly, appoint or remove the whole or a majority of the members of the board of directors of the Issuer, or (b) the Issuer at any time becomes delisted from Nasdaq First North or a Regulated Market.

See further Clause 10.5 of the Terms and Conditions.

#### **Repurchase upon an Admission to Trading Failure Event (put option)**

Upon the occurrence of a Admission to Trading Failure Event, each Noteholder shall 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, during a period of twenty (20) Business Days from the effective date of a notice from the Issuer of the Admission to Trading Failure Event (after which time period such right shall lapse).

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

See further Clause 10.5 of the Terms and Conditions.

## Payments in respect of the Notes

Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

## Interest and default interest

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.

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).

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

## Use of benchmarks

Interest payable for Notes will be calculated by reference to STIBOR. At the date of this Prospectus, the administrator does not appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the Benchmark Regulation. As far as the Issuer is aware the provisions in Article 51 of the Benchmark Regulation apply, such that the administrator is not yet required to obtain authorisation or registration.

## Acceleration and prepayment of the Notes

The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least 50 per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 14.6 of the Terms and Conditions on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents (including but not limited to applying the amount standing to the credit of the Escrow Account in accordance with Clause 15 (*Distribution of proceeds*) of the Terms and Conditions, if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) any of the financial undertakings set out in Clause 13 (Financial undertakings) of the Terms and Conditions is not complied with;
- (c) the Issuer does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraphs (a) or (b) above), unless the non-compliance:
  - (i) is capable of remedy; and

- (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (d) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Noteholders or the Agent;
- (e) any:
  - (i) Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
  - (ii) commitment for a Financial Indebtedness of any Group Company is cancelled or suspended by a creditor as a result of an event of default however described, provided however that the amount of Financial Indebtedness referred to under items (i) to (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 10,000,000;
- (f) (i) the Issuer or any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent, or (ii) a moratorium is declared in respect of the Financial Indebtedness of the Issuer or any Group Company;
- (g) any corporate action, legal proceedings or other procedures are taken (other than (A) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (B), in relation to a Group Company (other than the Issuer), solvent liquidations) in relation to:
  - (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (*företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer or any Group Company;
  - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any Group Company or any of its assets; or
  - (iii) any analogous procedure or step is taken in any jurisdiction in respect of the Issuer or any Group Company.
- (h) any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of a Group Company having an aggregate value exceeding SEK 10,000,000 and is not discharged within thirty (30) calendar days;
- (i) a decision is made that (i) any Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent in writing prior thereto or such merger or demerger would have been allowed pursuant to Clause 12.6 (Disposal of assets), or (ii) the Issuer shall be merged with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity; or
- (j) the Issuer or any Group Company suspends or ceases (or threatens to suspend or cease) to carry on all or substantially all of its business (except if due to a permitted disposal as stipulated in Clause 12.6 (Disposal of assets)).

The Agent may not accelerate the Notes in accordance with Clause 14.1 of the Terms and Conditions 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).

See further Clause 14 of the Terms and Conditions.

## General Undertakings

The Issuer makes certain undertakings in the Terms and Conditions. These include undertakings and limitations relating to:

- distributions and other transactions;
- market loans;
- financial indebtedness;
- negative pledge;
- dealings with related parties;
- disposal of assets;
- change of business;
- admission to trading of Notes;
- *pari passu* ranking;
- intellectual property;
- insurance;
- compliance with laws;
- agency agreement; and
- the CSD.

## Admission to trading of the Initial Notes

The Issuer shall use its best efforts to ensure that the Initial Notes are admitted to trading on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within one hundred twenty (120) calendar days from (and excluding) the First Issue Date.

The Issuer shall ensure that the Initial Notes, once admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), continue being admitted to trading thereon but no longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of Nasdaq Stockholm (or any other Regulated Market) and the CSD, subsist.

Provided that the Initial Notes have been admitted to trading, the Issuer shall ensure that, upon any Subsequent Notes issue, the volume of Notes is admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) promptly, and not later than thirty (30) days after the relevant Issue Date, is increased accordingly. This Prospectus is prepared solely for the admission to trading of the Initial Notes, if Subsequent Notes are issued a new prospectus will be prepared for such Subsequent Notes.

It is estimated that the Issuer's costs in conjunction with the admission to trading will be no higher than SEK 250,000.

## Financial Undertakings

For definitions, see Clause 13.1 of the Terms and Conditions.

### Maintenance covenant

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

See further Clause 13 of the Terms and Conditions.

### Incurrence Test

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

The Incurrence Test is met if the Leverage Ratio (adjusted in accordance with the Terms of Conditions) of the Terms and Conditions does not exceed 3.50:1 for the Relevant Period.

See further Clause 13 of the Terms and Conditions.

## 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.

Only a Noteholder, or a person who has been provided with a power of attorney or other authorisation in accordance with the Terms and Conditions from a Noteholder:

- (a) on the Business Day specified in the notice pursuant to the Terms and Conditions, in respect of a Noteholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to the Terms and Conditions, 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.

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.

Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Noteholders and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

See further Clause 16 of the Terms and Conditions.

## No direct action by Noteholders

Subject to certain exemptions set out in the Terms and Conditions, a Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.

See further Clause 21 of the Terms and Conditions.

## 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. 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.

## Governing law and jurisdiction

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

## The CSD

Euroclear Sweden, Swedish Corporate ID No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is initially acting as Central Securities Depository (CSD) and registrar in respect of the Notes.

The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. For the purpose of or in connection with any Noteholders' Meeting or any



Written Procedure, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

The Notes will be affiliated to and will continue to be affiliated to a central securities depository of notes, currently Euroclear Sweden's account-based system, and no physical notes have been or will be issued. Clearing and settlement relating to the Notes, as well as payment of interest and redemption of principal amounts, will be performed within Euroclear Sweden's account-based system. The investors are therefore dependent on the functionality of Euroclear Sweden's account-based system. If, due to any obstacle for Euroclear Sweden, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed.

### **The Agent and the Agency Agreement**

Nordic Trustee & Agency AB (publ), Swedish Corporate ID No. 556882-1879, is initially acting as Agent on behalf of the Noteholders in accordance with the Terms and Conditions.

Pursuant to the Agency Agreement that was entered into on or before the Issue Date between the Issuer and the Agent, the Agent has undertaken to represent the Noteholders in accordance with the Terms and Conditions. The Issuer has undertaken to, among other things, pay certain fees to the Agent. The Agency Agreement is available to the Noteholders at the office of the Agent during normal business hours and also on display at the office of the Issuer, see "*Legal considerations and supplementary information - Documents on display*". The Agency Agreement is governed by Swedish law.

### **The Issuing Agent**

Nordea Bank Abp, filial i Sverige, Smålandsgatan 17, 105 71 Stockholm, is initially acting as Issuing Agent in accordance with the Terms and Conditions of the Notes.

### **Use of proceeds**

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

## DESCRIPTION OF THE ISSUER

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### Introduction and business overview

The Issuer was founded in 2004 and has its registered office and production facility in Järfälla, Sweden. The Issuer has developed a technology for the production of lightweight, flexible solar cells and panels, and its major clients are based in USA and China which are the largest solar power markets.

The Issuer's ambition is to transform the solar panel market, from a supply of bulky, rigid, heavy panels with glass and aluminium frames, to a market with cleverly designed lightweight, thin, flexible solar solutions fully integrated into roofs, vehicles and other surfaces.

### Summary of the Issuer's history and development

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2004	The Issuer was founded by Sven Lindström, Alf Linder, Eric Jaremalm and Göran Lombäck.
2006	The Issuer became coordinator of a three-year EU project to develop the cadmium free CIGS thin film sputtering process.
2009	As a result of the financial crisis, the Issuer shifted from a focus on producing solar cells to produce and sell the manufacturing systems.
2013	The Issuer's revenue more than doubled from FY12 and received a major order from Poland for a solar cell production line.
2014	The Issuer worked with several multinational corporations to develop building-integrated solar panels
2015	The Issuer sold 6 DUO machines and a large-scale installation of flexible solar cell modules were done at Tele2 Arena in Stockholm.
2016	The Issuer secured a full order book for 2017 and delivered two DUO machines.
2017	The Issuer doubled revenue and launched new building integrated solar panels.
2018	Midsummer AB was listed on Nasdaq First North on 21 June 2018 and had a record order intake of SEK 265m

### Business areas

The Issuer's operations consist of the following three business areas (i) supplier of DUO machines, (ii) sales of lightweight flexible solar panels and (iii) service and process support for DUO machines.

#### Supplier of DUO machines

The DUO machine is a compact, all-vacuum, fully automatic deposition system for lightweight, flexible solar cell manufacturing. The system is designed for high throughput, operational stability, optimized layer uniformity and superior material utilization. The system can produce 5 MW or 50,000 m<sup>2</sup> of solar cells per year, and the price for one DUO Turnkey System is between USD 3.5-5.0m depending on configuration.

The Issuer has today the capacity of producing around twenty machines per year.

#### Sales of lightweight flexible solar panels

The Issuer's final products are lightweight flexible panels made up of 156×156 mm cells. The panels can be used on numerous applications, such as membrane roofs, Building Integrated Photovoltaics (BIPV), landfill covers among others.

The Issuer will begin an in-house panel production during 2019.

#### Service and process support for the DUO machines

The Issuer supplies process support with every DUO system delivered. The Issuer's staff is, in many cases overlooking the production at customers. The Issuer's service and support agreements are profitable parts of the standard sales contract.

## Material trends, uncertainties, demands and commitments

The Issuer's ambition is to transform the solar panel market, from a supply of bulky, rigid, heavy panels with glass and aluminium frames, to a market with cleverly designed lightweight, thin, flexible solar power solutions fully integrated into roofs, vehicles and other surfaces.

The solar cell market has seen a rapid growth the last twenty (20) years. However, 95 per cent. of the market consists of crystalline silicon panels which are made of glass, are heavy and require racks for installation, which limits the areas of use.<sup>1</sup> According to the Issuer, the Issuer's lightweight, flexible solar panels can be used in several areas where silicon panels cannot, hence considered the only commercially viable solution going forward. Membrane roofs and rooftops to villas are good examples where, in its opinion, the Issuer's solar panels have unmatched competitive advantages. Another competitive advantage is that it has solved the equation of how to mass produce lightweight, flexible solar cells while competitors have struggled.

As of today, the Issuer's lightweight, flexible solar cells represent less than 0.1 per cent. of the total solar cell market.<sup>2</sup>

The transition to renewable energy sources is necessary to limit the emissions of greenhouse gases, which contribute to climate change and thereby pose a great threat to the environment. Solar energy is an important source of energy going forward, and according to WBGU (*German advisory council on global change*) it is the only long-term solution as the world's energy consumption is expected to increase by 28 per cent. between 2015 and 2040.<sup>3</sup>

The Issuer's production releases approximately 15 per cent. of the CO<sub>2</sub> emissions generated by traditional silicon cell production and uses no environmentally hazardous, toxic elements such as cadmium. The Issuer's technology admits for local manufacturing of solar cells, which not only creates high tech jobs where the end product is demanded, but also admits for a know-how and technology transfer of green technology.<sup>4</sup>

As a result of the cooperation with Sunflare Inc, the Issuer has accomplished a fast market establishment and presence in the two largest solar panel markets in the world, USA and China, which as of today is where the Issuer's major clients are based.<sup>5</sup>

The Issuer has reported strong revenue growth the last five years, and has since 2015 increased its revenue from SEK 32,000,000 to SEK 244,000,000.

## General corporate information

### The Issuer

The Issuer's legal and commercial name is Midsummer AB (publ), and its Swedish Corporate ID No. is 556665-7838. The registered office of the Issuer is Elektronikhöjden 6, 175 43 Järfälla and the Issuer's seat is located in Stockholm, Sweden. The Issuer was incorporated in Sweden on 3 September 2004 and registered with the Swedish Companies Registration Office (*Bolagsverket*) on 3 September 2004. The Issuer is a public limited liability company (*publikt aktiebolag*) regulated by the Swedish Companies Act (*aktiebolagslagen (2005:551)*). The Issuer's LEI Code is 549300ZOWFLNDFSHNB56. The Issuer's website is [www.midsummer.se](http://www.midsummer.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.

Pursuant to article 3 of the articles of association of the Issuer, the business purpose of the Issuer is to practice development of alternative energy sources and other technologies within the energy industry and thereto related business activities.

The Issuer intend to finance its business operations by way of funds generated by its current business operations and by the proceeds from the issue of Notes.

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<sup>1</sup> Source: IEA PVPS, Trends 2017 in Photovoltaic Applications and Midsummer's IPO prospectus, page 40.

<sup>2</sup> Midsummer's IPO prospectus, page 40.

<sup>3</sup> Source: IEA PVPS, Trends 2017 in Photovoltaic Applications and Midsummer's IPO prospectus, page 40.

<sup>4</sup> Midsummer's IPO prospectus, page 34 and 40.

<sup>5</sup> Midsummer's IPO prospectus, page 30.

## Legal structure

The Issuer is the parent company of the group consisting of itself and one wholly-owned subsidiary with legal and commercial name Midsummer Roofing AB, and Swedish Corporate ID No. 559081-4652. Midsummer Roofing AB is a newly acquired shelf company and does not hold any assets or conducts any business. The purpose of the acquisition of Midsummer Roofing AB is to manufacture and sell solar panels to retailers and end-customers.

## The share and main shareholders

The Issuer's shares are listed on Nasdaq First North Stockholm since 21 June 2018, and have as of 5 March 2019 a market capitalisation of SEK 794,000,000.

Under its current articles of association, the Issuer's share capital shall be not less than SEK 900,000 and not more than SEK 3,600,000, divided into not fewer than 22,500,000 shares and not more than 90,000,000 shares. The Issuer has only one class of shares. The Issuer's registered share capital is SEK 1,236,088, represented by 30,902,200 shares. Each share has a quota value of SEK 0.04. All of the Issuer's shares are of the same share class and there is no difference in voting power among the shares.

The Issuer is primarily owned by Liang Gao and Philip Gao which holds approximately 40 per cent. of the shares and votes of the Issuer.

The table below lists the shareholders of the Issuer as of 30 June 2019 (and known changes thereafter).

<b>Name of shareholder</b>	<b>Numbers of shares and votes</b>	<b>Shares and votes (%)</b>
Liang Gao	6,305,450	20.40
Philip Gao	6,305,400	20.40
Infologix (BVI) Ltd.	2,947,053	9.54
Jan Lombach (as individual and by Gurtenfry AB)	1,754,900	5.68
Sven Lindström	1,537,345	4.97
Alf Linder	1,463,900	4.74
Skandia Fonder	1,050,000	3.40
Eric Jaremalm	987,732	3.20
Göran Lombäck	800,284	2.59
Nordea Småbolag Norden	466,275	1.51
Blue AB	436,400	1.41
Alex Witt	319,600	1.03
Remaining shareholders	6,527,861	21.12
<b>Total number of shares issued:</b>	<b>30,902,200</b>	<b>100</b>

## THE BOARD OF DIRECTORS, SENIOR MANAGEMENT AND AUDITORS

### Board of directors

The Board of the Issuer consists of five (5) members elected by the General Meeting of Shareholders. The table below sets forth the name and current position of each board member.

Name	Position	Board member since
Jan Lombach	Member, Chairman	2006
Sven Lindström	Member, President & CEO	2004
Eva Kristensson	Member	2019
Liang Gao	Member	2015
Philip Gao	Member	2015

#### Jan Lombach

*Born 1955. Chairman of the Board since 2018 and board member since 2006.*

**Principal education:** L.L.M. and BSc. in Economics.

**Other on-going principal assignments:** Chairman of the board of directors in Cliens Kapitalförvaltning AB and member of the board of Sveriges Aktiesparares Riksförbund.

#### Sven Lindström

*Born 1968. Board member since 2004.*

**Principal education:** Master of Science degree in Industrial Engineering and Management, Major in Computer Science and Industrial Finance.

**Other on-going principal assignments:** Member of the board of directors in Midsummer Roofing AB.

#### Eva Kristensson

*Born 1961. Board member since 2019.*

**Principal education:** BSc. in Economics.

**Other on-going principal assignments:** Head of Brand & Communications of Sodexo Nordics.

#### Liang Gao

*Born 1961. Board member since 2015.*

**Principal education:** Master of Business Administration, Bachelor of Arts degree, economics.

**Other on-going principal assignments:** Founder of Sunflare Inc., chairman of the board of directors in Sunflare Inc.

#### Philip Gao

*Born 1990. Board member since 2015.*

**Principal education:** Bachelor of Arts degree, economics and environmental science.

**Other on-going principal assignments:** CEO of Sunflare Inc.

### Executive Management

The Executive Management consist of a team of seven (7) persons. The table below sets forth the name and current position of each member of the Executive Management.

Name	Position	Member of Executive Management since
Sven Lindström	Founder, President and CEO	2004

<b>Name</b>	<b>Position</b>	<b>Member of Executive Management since</b>
Eric Jaremalm	Founder, CFO	2004
Klara Takei	Cell Hardware Manager	2015
Alex Witt	Operations Manager	2010
Sven Pettersson	Product Manager of DUO Systems	2018
Maria Huttunen	Design Manager	2018
Linda Sjölander	Human Resources and Administration	2018

### **Sven Lindström**

*Born 1968. President & CEO since 2004.*

**Principal education:** Master of Science degree in Industrial Engineering and Management, Major in Computer Science and Industrial Finance.

### **Eric Jaremalm**

*Born 1974. CFO since 2004.*

**Principal education:** Master of Science degree in Industrial Engineering and Management International Japanese. Major in Computer Science and Industrial Finance. Two years of studying in Japan at Meiji University in Tokyo and Nanzan University in Nagoya.

### **Klara Takei**

*Born 1975. Cell Hardware Manager since 2015.*

**Principal education:** Master of Science in Materials Design, Master of Sustainable Energy Technology.

### **Alex Witt**

*Born 1977. Operations Manager since 2019. Different managerial positions in Midsummer since 2010.*

**Principal education:** MSc in Mechanical Engineering.

### **Sven Pettersson**

*Born 1967. Product Manager of DUO Systems since 2018.*

**Principal education:** Education in information logistics and calculation.

### **Maria Huttunen**

*Born 1986. Design Manager since 2016. Member of Executive Management since 2018.*

**Principal education:** Master of Science degree in Design and product development.

### **Linda Sjölander**

*Born 1981. Human Resources and Administration since 2018.*

**Principal education:** Pedagogical education.

## **Auditors**

KPMG AB (Box 743, 194 27 Upplands Väsby) is the Issuer's auditor since 2007. Mattias Lötbörn is the auditor in charge since the annual general meeting on 28 May 2019, while Jan Nordlöv was auditor from 2007 to 2011 and Louise Ronquist was auditor from 2011 to 2019. Mattias Lötbörn, Louise Ronquist and Jan Nordlöv are/were all authorised public accountants and members of FAR, the professional institute for accountants in Sweden.

**Business address**

The address for all Board members and members of the Executive Management is c/o the Issuer, Elektronikhöjden 6, 175 43 Järfälla, Sweden.

**Conflicts of interest**

The Issuer entered into a cooperation agreement with Sunflare Inc., which is owned by the board members Liang Gao and Philip Gao, during 2015. All duties and obligations under the cooperation agreement were completed under 2017. The Issuer is still co-operating with the Sunflare Inc on sales and production on the Chinese and American markets. The board of directors of the Issuer does not consider that the cooperation with Sunflare Inc. neither historical, nor today, constitute a conflict of interest.

Certain board members and members of the executive management have a financial interest in the Issuer as a consequence of being shareholders in the Issuer. The board of directors of the Issuer does not consider this to constitute a conflict of interest.

## **LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION**

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### **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 Initial Notes on 25 April 2019 was authorised by a resolution of the board of the Issuer on 31 March 2019.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, to the best of its knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

### **Material agreements**

Neither the Issuer nor any other Group Company has concluded any material agreements not entered into in the ordinary course of its business which could result in a member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders.

### **Legal and arbitration proceedings**

The Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened which the Issuer is aware of) during the previous 12 months from the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

### **Information on taxation**

Tax legislation in the investor's home member state and the member state of the Issuer may affect any income from the Notes.

### **Certain material interests**

DNB Markets, DNB Bank ASA, filial Sverige and Nordea Bank Abp are Joint Bookrunners in conjunction with the issuance of the Notes. The Joint Bookrunners (and closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

### **Trend information**

There has been no material adverse change in the prospects of the Issuer since 9 May 2019, being the date of publication of the annual report for 2018 which is the last audited financial information of the Issuer.

### **Significant changes since 30 June 2019**

There have been no significant changes in the financial position or performance of the Group since 30 June 2019.

Other than the issue of Notes there has been no significant change of the financing structure of the Group since 31 December 2018.



## Incorporation by reference

The following information has been incorporated into this Prospectus by reference and should be read as part of the Prospectus:

### Annual Report for 2017

(<http://midsummer.se/wp-content/uploads/2019/06/Midsummer-arsredovisning-2017.pdf>)

as regards the audited financial information on pages:

- page 2 for changes in equity capital;
- page 3 for income statement;
- pages 4-5 for balance sheet;
- pages 6-13 for notes; and
- pages 17-18 for the audit report.

### Annual Report for 2018

(<http://midsummer.se/wp-content/uploads/2019/05/arsredovisning2018.pdf>)

as regards the audited financial information on pages:

- page 3 for changes in equity capital;
- page 4 for income statement;
- pages 5-6 for balance sheet;
- page 7 for cash flow statement;
- pages 7-19 for notes; and
- pages 21-22 for the audit report.

### Interim Report for the period January-June 2019

(<https://midsummer.se/wp-content/uploads/2019/08/Midsummer-Delarsrapport-Q2-2019.pdf>)

as regards the unaudited financial information for the period from January to June 2019 on pages:

- page 9 for income statement;
- pages 10 for balance sheet;
- page 10 for changes in equity capital; and
- page 11 for cash flow statement.

### Report on recalculated IFRS annual accounts for 2017 and 2018

(<https://midsummer.se/wp-content/uploads/2019/08/BR-och-RR-for-2017-och-2018-omraknade-till-IFRS.pdf>)

as regards the audited financial information on pages:

- page 3 for income statement;
- pages 4-5 for balance sheet;
- pages 6-7 for changes in equity capital;
- page 8 for cash flow statement; and
- pages 8-43 for notes.

As regards the audit report for the recalculated IFRS report:  
(<https://midsummer.se/wp-content/uploads/2019/08/Midsummer-AB-publ-RevR-5-Revisors-rapport-avseende-historisk-finansiell-information-190815-signed.pdf>)

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in Notes or is covered elsewhere in the Prospectus.

The Issuer's annual reports have been prepared in accordance with the Swedish Annual Accounts Act (*årsredovisningslag (1995:1554)*) and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3) (*Bokföringsnämndens allmänna råd BFNAR 2012:1 Årsredovisning och koncernredovisning (K3)*).

For comparability between the financial years ended on 31 December 2017 and 2018 (respectively) and future annual financial statements, the income statement, the balance sheet and the cash flow statement have been recalculated to IFRS and such recalculated numbers have been audited by the Issuer's auditor.

The Issuer's interim report for the period January – June 2019 have been prepared in accordance with IFRS.

With the exception of the annual reports and the report on to IFRS recalculated annual accounts for 2017 and 2018 incorporated by reference, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

### **Change of Accounting principles**

The annual report for the financial years 2017 and 2018 was prepared in accordance with the requirements of the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidelines BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). The annual reports for the Issuer will as of 1 January 2019 be prepared in accordance with the Swedish Annual Accounts Act and International Financial Reporting Standards (IFRS) as adopted by the EU.

The transition will take place in accordance with IFRS 1 First-time Adoption of IFRS (“**IFRS 1**”). The main rule in IFRS 1 requires the entity to apply all IFRS standards retrospectively when determining the opening IFRS balance sheet and the comparison years will therefore be fully converted to IFRS.

Explanations of how the transition to IFRS has affected the Issuer's financial reporting will be stated in the Issuer's interim report for the period Jan – June 2019.

### **Documents on display**

Copies of the following documents are available at the Issuer's website, at the addresses set out below:

- the Issuer's Articles of Association; and
- the Issuer's annual reports (including auditor's report) for the financial years 2017 and 2018, the report on recalculated IFRS annual accounts for 2017 and 2018 and the interim report for the period January-June 2019.

Copies of the following documents are available at the Issuer's office, Elektroniköjden 6, 175 43 Järfälla (regular office hours):

- the Finance Documents;
- the Agency Agreement

## **TERMS AND CONDITIONS OF THE NOTES**

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**TERMS AND CONDITIONS FOR  
MIDSUMMER AB (PUBL)  
UP TO SEK 500,000,000  
SENIOR UNSECURED FLOATING RATE GREEN NOTES  
ISIN: SE0012455772**

### **SELLING RESTRICTIONS**

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

### **PRIVACY NOTICE**

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

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

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

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

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

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

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

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

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## 1. DEFINITIONS AND CONSTRUCTION

### 1.1 Definitions

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

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

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

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

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

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

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

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

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

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

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

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

“**Business Day Convention**” means 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, in relation to shares of the Issuer, an event or series of events resulting in:

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

(b) the Issuer at any time becomes delisted from Nasdaq First North or a Regulated Market.

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

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

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

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

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

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

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

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

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

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

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

“**Event of Default**” means an event or circumstance specified in Clause 0.

“**Final Maturity Date**” means the date falling four (4) years after the First Issue Date.

“**Finance Documents**” means

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

“**Financial Indebtedness**” means:

- (a) moneys borrowed (including under any bank financing);
- (b) the amount of any liability in respect of any lease or hire purchase contract, a liability which would, in accordance with IFRS as applicable on the First Issue Date, be treated as a Balance Sheet liability;

- (c) receivables sold or discounted (other than on a non-recourse basis, provided that the requirements for de-recognition under the Accounting Principles are met);
- (d) any amount raised pursuant to any note purchase facility or the issue of any bond or note or similar instrument;
- (e) any other transaction (including the obligation to pay deferred purchase price) having the commercial effect of a borrowing or otherwise being classified as borrowing under the Accounting Principles;
- (f) the marked-to-market value of derivative transactions entered into in connection with protection against or benefit from fluctuation in any rate or price (if any actual amount is due as a result of a termination or a close-out, such amount shall be used instead);
- (g) counter-indemnity obligations in respect of guarantees or other instruments issued by a bank or financial institution; and
- (h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.

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

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

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

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

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

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

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

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

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

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

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent pursuant to Chapter 1, Section 2 of the Swedish Bankruptcy Act (*konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

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

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

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

“**Interest Rate**” means STIBOR **plus** the Margin.

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

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

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

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

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

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

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

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

- (a) the consolidated business, assets or financial condition of the Group taken as a whole such that the Issuer would be unable to perform its payment obligations under these Terms and Conditions; or
- (b) subject to any legal reservations, the validity and enforceability of the Finance Documents to an extent which is materially adverse to the interests of the Noteholders and, if capable of remedy, is not remedied within twenty (20) Business Days of the earlier of (i) the Issuer becoming aware of the issue and (ii) the Issuer receiving written notice of the issue.

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

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

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

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

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

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

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



“**Permitted Financial Indebtedness**” means:

- (a) incurred under the Initial Notes;
- (b) incurred by the Issuer if such Financial Indebtedness meets the Incurrence Test tested *pro forma* including such incurrence, and which:
  - (i) is incurred as a result of a Note Issue of Subsequent Notes under the Terms and Conditions; or
  - (ii) ranks *pari passu* or is subordinated to the obligations of the Issuer under the Terms and Conditions, and has a final redemption date or, when applicable, early redemption dates or instalment dates which occur on or after the Final Maturity Date,
 in each case provided that no Event of Default is outstanding;
- (c) any Financial Indebtedness arising as a result of:
  - (i) a contemplated refinancing of Notes (in full or in part) (including, but not limited to, tender or exchange offers) provided that the relevant Notes are refinanced within 30 days from the date of incurring such Financial Indebtedness;
  - (ii) a contemplated refinancing of the Notes in full in accordance with Clause 10.3 (*Voluntary total redemption (call option)*) provided that the proceeds of such Financial Indebtedness are held in escrow until full repayment of the Notes; or
  - (iii) redemption of the Notes in full on the Final Maturity Date provided that the proceeds of such Financial Indebtedness are held in escrow until full repayment of the Notes,
 (a “**Refinancing**”);
- (d) between Group Companies (other than the Issuer);
- (e) incurred pursuant to any lease arrangements:
  - (i) related to any agreements under which the Issuer or any Group Company leases commercial property (*kommersiella fastigheter*) or other premises (including, but not limited to, parking lots and garages) provided that such Financial Indebtedness is incurred in the ordinary course of the Issuer’s business;
  - (ii) related to any agreements under which the Issuer or any Group Company leases cars on behalf, and for the benefit, of its employees; or
  - (iii) if not permitted by any of paragraphs (i) – (ii) above, up to a maximum individually or in the aggregate amount of SEK 1,000,000;
- (f) incurred in the ordinary course of business with suppliers of goods with a maximum duration of 90 days;
- (g) any guarantee issued by a Group Company to any of its trading partners in the ordinary course of business of a Group Company;
- (h) in the form of any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or

financial institution in respect of an underlying liability in the ordinary course of business of a Group Company;

- (i) incurred under a SEK 8,000,000 loan from the Swedish Energy Agency (*Energimyndigheten*);
- (j) non-speculative hedging transactions entered into in the ordinary course of business in connection with protection against interest rate or currency fluctuations; and
- (k) if not permitted by any of paragraphs (a) – (j) above which does not in aggregate at any time exceed the higher of SEK 25,000,000 and 0.4x EBITDA of the Group pursuant to the most recent delivered Financial Report.

**“Permitted Security”** means:

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

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

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

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

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

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

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

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

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

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

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

“**STIBOR**” means:

- (a) the applicable percentage rate *per annum* displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor and for a period comparable to the relevant Interest Period;
- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Nasdaq Stockholm’s website for STIBOR fixing (or through another website replacing it) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the Reference Banks, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period; and

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

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

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

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

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

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

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

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

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

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

## 1.2 Construction

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;

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

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

1.2.3 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (*Riksbanken*) on its website ([www.riksbank.se](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 nominal amount of each Initial Note is SEK 1,000,000 (the “**Nominal Amount**”). The maximum aggregate nominal amount of the Initial Notes as at the First Issue Date is SEK 200,000,000. All Initial Notes are issued on a fully paid basis at an issue price of 100 per cent. of the Nominal Amount.

2.4 Provided that (i) no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the relevant issue of Subsequent Notes and (ii) the Incurrence Test is met, the Issuer may, on one or several occasions provided that the Issuer meets the Incurrence Test, issue Subsequent Notes. Subsequent Notes shall benefit from and be subject to the Finance Documents, and, for the avoidance of doubt, the ISIN, the interest rate, the currency, the nominal amount and the final maturity applicable to the Initial Notes shall apply to Subsequent Notes. The issue price of the Subsequent Notes may be set at the Nominal Amount, a discount or a premium compared to the Nominal Amount. The maximum aggregate nominal amount of the Notes (the Initial Notes and all Subsequent Notes) may not exceed SEK 500,000,000 unless a consent from the Noteholders is obtained in accordance with Clause 16.4.2(a). Each Subsequent Note shall entitle its holder to Interest in accordance with Clause 9.1, and otherwise have the same rights as the Initial Notes.

2.5 The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among them and at least

*pari passu* with all other direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except obligations which are preferred by mandatory regulation and except as otherwise provided in the Finance Documents.

- 2.6 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.7 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required and as such the Notes have not been and will not be registered, and may be restricted, in United States, Australia, Japan, Canada, or in any other country where the offering, sale and delivery of the Notes may be restricted by law. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

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

- 3.1 The Unrestricted Proceeds from the Initial Notes shall be applied by the Issuer towards general corporate purposes in accordance with the Green Bond Framework.
- 3.2 The Restricted Proceeds from the Initial Notes shall initially be deposited in the Escrow Account. Upon release from the Escrow Account, the amount so released from the Escrow Account shall be applied by the Issuer towards general corporate purposes in accordance with the Green Bond Framework.
- 3.3 The Net Proceeds from a Subsequent Note Issue may be applied by the Issuer towards general corporate purposes in accordance with the Green Bond Framework.

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

- 4.1 The Issuer shall provide to the Agent, no later than two (2) Business Days prior to the First Issue Date, the following:
- (a) copies of constitutional documents of the Issuer;
  - (b) copies of the necessary corporate resolutions (including authorisations) from the Issuer;
  - (c) the Terms and Conditions duly executed by the Issuer;
  - (d) the Escrow Account Pledge Agreement duly executed by the parties thereto and evidence that it is duly perfected;
  - (e) the Agency Agreement duly executed by the parties thereto; and
  - (f) a duly executed affiliation agreement made between the Issuer and the CSD and evidence that the Notes will be registered with the CSD.
- 4.2 The Issuer shall provide to the Agent, no later than two (2) Business Days prior to the Issue Date in respect of Subsequent Notes, the following:
- (a) copies of constitutional documents of the Issuer;
  - (b) copies of the necessary corporate resolutions (including authorisations) from the Issuer;

- (c) a certificate from the Issuer confirming that no Event of Default is continuing or would result from the expiry of a grace period, the giving of a notice, the making of any determination (or any combination of the foregoing) or from the issue of the Subsequent Notes and evidencing that the Incurrence Test is met; and
  - (d) such other documents and information as is agreed between the Agent and the Issuer.
- 4.3 The Agent shall confirm to the Issuing Agent when it is satisfied that the conditions in Clause 4.1 or 4.2, as the case may be, have been fulfilled. The relevant Issue Date shall not occur unless (i) the Agent makes such confirmation or amends or waives such conditions in accordance with Clause 17 (*Amendments and waivers*) no later than one (1) Business Day prior to the relevant Issue Date, or (ii) the Issuing Agent and the Issuer agree to postpone the relevant Issue Date.
- 4.4 Following receipt by the Issuing Agent of a confirmation from the Agent pursuant to Clause 4.3 that:
- (a) the conditions in Clause 4.1 have been fulfilled, the Issuing Agent shall promptly transfer the Unrestricted Proceeds to the Issuer and the Restricted Proceeds to the Escrow Account; and
  - (b) the conditions in Clause 4.2 have been fulfilled, the Issuing Agent shall promptly transfer the Net Proceeds from the issue of the relevant Subsequent Notes to the Issuer.
- 4.5 The Agent does not review the documents and evidence referred to in Clause 4.1 or 4.2 from a legal or commercial perspective of the Noteholders. The Agent may assume that the documentation and evidence delivered to it pursuant to Clause 4.1 or 4.2 is accurate, legally valid, enforceable, correct, true and complete and the Agent does not have to verify or assess the contents of any such documentation.
- 5. ESCROW OF PROCEEDS**
- 5.1 The Restricted Proceeds standing to the credit on the Escrow Account will be blocked and pledged by the Issuer in favour of the Noteholders under the Escrow Account Pledge Agreement.
- 5.2 The Issuer may request that Restricted Proceeds standing to the credit of the Escrow Account are disbursed to it by sending a Disbursement Notice to the Agent. The Issuer may in a Disbursement Notice request a disbursement from the Escrow Account of:
- (a) SEK 15,000,000 (or, if less, the amount standing to the credit of the Escrow Account) when a Manufacturing Line has been sold to a Contract Manufacturer (a “**Sold Manufacturing Line**”);
  - (b) SEK 15,000,000 (or, if less, the amount standing to the credit of the Escrow Account) when four and a half months have passed from the date when a disbursement from the Escrow Account has been made in relation to a Sold Manufacturing Line pursuant to paragraph (a) above; or
  - (c) SEK 15,000,000 (or, if less, the amount standing to the credit of the Escrow Account) after a Sold Manufacturing Line has been shipped from the Issuer.
- 5.3 The Agent’s approval of disbursement of Restricted Proceeds from the Escrow Account is in each case only subject to that no Event of Default has occurred and is continuing and the Agent being satisfied that it has received a duly executed Disbursement Notice. When the Agent is satisfied that it has received the conditions precedent for disbursement set out in Clause 5.2 above, the Agent shall instruct the Account Bank to transfer the funds from the Escrow Account in accordance with the Disbursement Notice.

- 5.4 The Agent does not review the documents and evidence referred to in Clause 5.2 from a legal or commercial perspective of the Noteholders. The Agent may assume that the documentation delivered to it pursuant to Clause 5.2 is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

## **6. NOTES IN BOOK-ENTRY FORM**

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

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

- 7.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisations starting with the Noteholder and authorising such person.
- 7.2 A Noteholder may issue one or several powers of attorney or other authorisations to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder.
- 7.3 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clause 7.2 and may assume that such document has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face or the Agent has actual knowledge to the contrary.

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

- 8.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes requested by a Noteholder pursuant to these Terms and Conditions, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 8.2 If a Noteholder has registered, through an Account Operator, that principal, interest or any other payment shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. In other cases, payments will be transferred by the CSD to the Noteholder at the address registered with the CSD on the Record Date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 8.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 9.4 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 Terms and Conditions on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is 200 basis points higher than the Interest Rate. The default interest shall not be capitalised but be payable to each person who was a Noteholder on the Record Date for the original due date. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.



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

### **10.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the 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 the Issuer**

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

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

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

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

- (a) any time from and including the First Call Date to, but excluding, the first Business Day falling thirty (30) months after the First Issue Date at an amount per Note equal to 104.25 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (b) 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-six (36) months after the First Issue Date at an amount per Note equal to 103.40 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (c) any time from and including the first Business Day falling thirty-six (36) months after the First Issue Date to, but excluding, the first Business Day falling forty-two (42) months after the First Issue Date at an amount per Note equal to 101.70 per cent. of the Nominal Amount, together with accrued but unpaid Interest;
- (d) any time from and including the first Business Day falling forty-two (42) months after the First Issue Date to, but excluding, the Final Maturity Date at an amount per Note equal to 100.85 per cent. of the Nominal Amount, together with accrued but unpaid Interest; and
- (e) notwithstanding paragraph (d) above, at any time from and including the first Business Day falling three (3) months before the Final Maturity Date to, but excluding, the Final Maturity Date, at an amount equal to 100 per cent. of the Nominal Amount together with accrued but unpaid Interest, provided that the aggregate outstanding Nominal Amount of the Notes are refinanced in full by way of the Issuer issuing a new Market Loan in which the Noteholders shall have the possibility to participate (subject to the Issuer's decision on allocation).

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

10.3.3 Redemption 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 is bound to redeem the Notes in full at the applicable amount on the specified Redemption Date.

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

10.4.1 The Issuer may redeem all, but not some only, of the outstanding Notes at an amount per Note equal to the Nominal 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.

10.4.2 The Issuer may give notice of redemption pursuant to Clause 10.4.1 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.

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

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

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

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

10.5.4 If Noteholders representing more than 75 per cent. of the Adjusted Nominal Amount have requested that Notes held by them are repurchased pursuant to this Clause 10.5, the Issuer may, no later than five (5) Business Days after the end of the period referred to in Clause 10.5.1 or 10.5.2, send a notice to the remaining Noteholders, if any, giving them a further opportunity to request that Notes held by them be repurchased on the same terms during a period of twenty (20) Business Days from the date such notice is effective. Such notice shall specify the Redemption Date, the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date and also include instructions about the actions that a Noteholder needs to take if it wants Notes held by it to be repurchased. If a Noteholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer shall, or shall procure that a person designated by the Issuer will, repurchase the relevant Notes and the repurchase amount shall fall due on the Redemption Date specified in the notice given by the Issuer pursuant to this Clause 10.5.4. The

Redemption Date must fall no later than forty (40) Business Days after the end of the period of twenty (20) Business Days referred to in this Clause 10.5.4.

- 10.5.5 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Notes. To the extent that the provisions of such regulations conflict with the provisions in this Clause 10.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 10.5 by virtue of the conflict.
- 10.5.6 Any Notes repurchased by the Issuer pursuant to this Clause 10.5 may at the Issuer's discretion be retained, sold or cancelled.
- 10.5.7 The Issuer shall not be required to repurchase any Notes pursuant to this Clause 10.5, if a third party in connection with the occurrence of a Change of Control Event or an Admission to Trading Failure Event offers to purchase the Notes in the manner and on the terms set out in this Clause 10.5 (or on terms more favourable to the Noteholders) and purchases all Notes validly tendered in accordance with such offer. If Notes tendered are not purchased within the time limits stipulated in this Clause 10.5, the Issuer shall repurchase any such Notes within five (5) Business Days after the expiry of the time limit.
- 10.5.8 No repurchase of Notes pursuant to this Clause 10.5 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. INFORMATION TO NOTEHOLDERS**

### **11.1 Information from the Issuer**

- 11.1.1 The Issuer shall make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:
- (a) as soon as the same become available, but:
    - (i) prior to the admission to trading of the Notes, at the time required by applicable law; and
    - (ii) from and including the admission to trading of the Notes on a Regulated Market, in any event within four (4) months after the end of each financial year,
 

the annual audited consolidated financial statements of the Group;
  - (b) as soon as the same become available, but in any event within two (2) months after the end of each relevant interim period, the quarterly interim unaudited consolidated reports of the Group or, as applicable and at the frequency required by the applicable provisions of the Nasdaq Stockholm rulebook for issuers from time to time, the year-end report (*bokslutskommuniké*) for such period prepared in accordance with the Accounting Principles; and
  - (c) any other information required by the Swedish Securities Markets Act (*lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading or listed.
- 11.1.2 The Issuer shall prepare the Financial Reports in accordance with the Accounting Principles and make them available in accordance with the applicable rules and regulations of Nasdaq Stockholm (or any other Regulated Market, as applicable) (as amended from time to time) and the Swedish Securities Market Act (*lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).

11.1.3 The Issuer shall immediately notify the Noteholders and the Agent upon becoming aware of the occurrence of a Change of Control Event or an Admission to Trading Failure Event. Such notice may be given in advance of the occurrence of a Change of Control Event and be conditional upon the occurrence of a Change of Control Event, if a definitive agreement is in place providing for such Change of Control Event. The Issuer shall provide the Agent with such further information as the Agent may request (acting reasonably) in writing following receipt of such notice.

11.1.4 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

11.1.5 The Issuer shall:

- (a) on the earlier of when the financial statements pursuant to Clause 11.1.1 (i) are made available, or (ii) should have been made available;
- (b) in connection with the incurrence of new Financial Indebtedness pursuant to the Incurrence Test; or
- (c) within 20 days from the request of the Agent,

submit to the Agent a Compliance Certificate

## **11.2 Information from the Agent**

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

11.2.2 If a committee representing the Noteholders' interests under the Finance Documents has been appointed by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*), the members of such committee may agree with the Issuer not to disclose information received from the Issuer, provided that it, in the reasonable opinion of such members, is beneficial to the interests of the Noteholders. The Agent shall be a party to such agreement and receive the same information from the Issuer as the members of the committee.

## **11.3 Information among the Noteholders**

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

## **11.4 Availability of Finance Documents**

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

11.4.2 The latest versions of the Finance Documents (other than the Terms and Conditions) not made available pursuant to Clause 11.4.1 shall be made available by the Agent during normal business

hours to any person by way of email or at the office of the Agent. The Agent may require that the requesting person reimburses any costs or expenses incurred, or to be incurred, by it in doing so (including a reasonable fee for its work).

## **12. GENERAL UNDERTAKINGS**

### **12.1 Distributions and other transactions**

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

### **12.2 Market Loans**

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

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

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

### **12.3 Financial Indebtedness**

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

### **12.4 Negative pledge**

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

### **12.5 Dealings with related parties**

The Issuer shall:

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

- (b) conduct all dealings with the management and the direct and indirect shareholders of the Issuer and/or any affiliates of such management or direct and indirect shareholders, at arm's length terms.

#### **12.6 Disposal of assets**

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

- (a) between wholly-owned Group Companies (other than the Issuer);
- (b) in the ordinary course of trading of the disposing entity;
- (c) of obsolete and redundant assets;
- (d) in exchange for other assets comparable or superior as to type, value and quality; or
- (e) of any business, assets or shares in Subsidiaries not otherwise permitted by paragraphs (a) – (d) above, provided that that it does not have a Material Adverse Effect,

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

#### **12.7 Change of business**

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

#### **12.8 Admission to trading of Notes**

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

#### **12.9 *Pari Passu* ranking**

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

#### **12.10 Intellectual property**

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

**12.11 Insurance**

The Issuer shall (and shall ensure that each Group Company will) maintain adequate risk protection through insurances (including business interruption and third party risk insurance) on and in relation to its business and assets to the extent reasonably required on the basis of good business practice, taking into account, *inter alia*, the financial position of the Group and the nature of its operations. All insurances that are not in the form of self-insurance must be with reputable independent insurance companies or underwriters.

**12.12 Compliance with laws**

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

**12.13 Undertakings relating to the Agency Agreement**

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

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

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

**12.14 CSD related undertakings**

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

**13. FINANCIAL UNDERTAKINGS****13.1 Definitions**

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

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

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

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

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

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

**less:**

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

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

### **13.2 Maintenance covenant**

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

### **13.3 Incurrence Test**

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

### **13.4 Testing**

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

13.4.2 The Leverage Ratio shall be calculated as follows:

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

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

### **13.5 Calculation Adjustments**

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

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



#### 14. ACCELERATION OF THE NOTES

14.1 The Agent is entitled to, and shall following a demand in writing from a Noteholder (or Noteholders) representing at least 50 per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Noteholders, be made by them jointly) or following an instruction given pursuant to Clause 14.6, on behalf of the Noteholders (i) by notice to the Issuer, declare all, but not some only, of the outstanding Notes due and payable together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents (including but not limited to applying the amount standing to the credit of the Escrow Account in accordance with Clause 15 (*Distribution of proceeds*)), if:

- (a) the Issuer does not pay on the due date any amount payable by it under the Finance Documents, unless the non-payment:
  - (i) is caused by technical or administrative error; and
  - (ii) is remedied within five (5) Business Days from the due date;
- (b) any of the financial undertakings set out in Clause 13 (*Financial undertakings*) is not complied with;
- (c) the Issuer does not comply with any terms of or acts in violation of the Finance Documents to which it is a party (other than those terms referred to in paragraphs (a) or (b) above), unless the non-compliance:
  - (i) is capable of remedy; and
  - (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance;
- (d) any Finance Document becomes invalid, ineffective or varied (other than in accordance with the provisions of the Finance Documents), and such invalidity, ineffectiveness or variation has a detrimental effect (directly or indirectly) on the interests of the Noteholders or the Agent;
- (e) any:
  - (i) Financial Indebtedness of a Group Company is not paid when due nor within any originally applicable grace period (if there is one) or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
  - (ii) commitment for a Financial Indebtedness of any Group Company is cancelled or suspended by a creditor as a result of an event of default however described,

provided however that the amount of Financial Indebtedness referred to under items (i) to (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 10,000,000;
- (f) (i) the Issuer or any Group Company is, or is deemed for the purposes of any applicable law to be, Insolvent, or (ii) a moratorium is declared in respect of the Financial Indebtedness of the Issuer or any Group Company;
- (g) any corporate action, legal proceedings or other procedures are taken (other than (A) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on

which it is advertised and (B), in relation to a Group Company (other than the Issuer), solvent liquidations) in relation to:

- (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (*företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer or any Group Company;
  - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any Group Company or any of its assets; or
  - (iii) any analogous procedure or step is taken in any jurisdiction in respect of the Issuer or any Group Company.
- (h) any expropriation, attachment, sequestration, distress or execution, or any analogous process in any jurisdiction, affects any asset of a Group Company having an aggregate value exceeding SEK 10,000,000 and is not discharged within thirty (30) calendar days;
- (i) a decision is made that (i) any Group Company shall be merged or demerged into a company which is not a Group Company, unless the Agent has given its consent in writing prior thereto or such merger or demerger would have been allowed pursuant to Clause 12.6 (*Disposal of assets*), or (ii) the Issuer shall be merged with any other person, or is subject to a demerger, with the effect that the Issuer is not the surviving entity; or
- (j) the Issuer or any Group Company suspends or ceases (or threatens to suspend or cease) to carry on all or substantially all of its business (except if due to a permitted disposal as stipulated in Clause 12.6 (*Disposal of assets*)).
- 14.2 The Agent may not accelerate the Notes in accordance with Clause 0 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, on a Noteholders Meeting or by way of a Written Procedure, to waive such Event of Default (temporarily or permanently).
- 14.3 The Issuer shall immediately notify the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any determination or any combination of any of the foregoing) constitute an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice.
- 14.4 The Agent shall notify the Noteholders of an Event of Default within five (5) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 14.5 The Agent shall, within twenty (20) Business Days of the date on which the Agent received actual knowledge of that an Event of Default has occurred and is continuing, decide if the Notes shall be so accelerated. If the Agent decides not to accelerate the Notes, the Agent shall promptly seek instructions from the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).
- 14.6 If the Noteholders instruct the Agent to accelerate the Notes, the Agent shall promptly declare the Notes due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Noteholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 14.7 If the right to accelerate the Notes is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable

under any applicable regulation or that the period of appeal has expired in order for cause of acceleration to be deemed to exist.

- 14.8 In the event of an acceleration of the Notes in accordance with this Clause 14, the Issuer shall redeem all Notes at an amount:
- (a) if the acceleration of the Notes occurs prior to the First Call Date, equal to the redemption amount specified in paragraph (a) of Clause 0; or
  - (b) if the acceleration of the Notes occurs on or after the First Call Date, equal to the redemption amount specified in Clause 0, as applicable considering when the acceleration occurs.

## 15. DISTRIBUTION OF PROCEEDS

- 15.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 14 (*Acceleration of the Notes*) and any amount standing to the credit of the Escrow Account shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency Agreement and the Finance Documents (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 18.2.6, and (iv) any costs and expenses incurred by the Agent in relation to any waiver or amendment of a Finance Document or a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.4.11, together with default interest in accordance with Clause 9.4 on any such amount calculated from the date it was due to be paid or reimbursed by the Issuer;
  - (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
  - (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
  - (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including default interest in accordance with Clause 8.4 on delayed payments of Interest and repayments of principal under the Notes.

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

- 15.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1(a).
- 15.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate bank account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least ten (10) Business Days before

the payment is made. The Notice from the Issuer shall specify the Redemption Date and also the Record Date on which a person shall be registered as a Noteholder to receive the amounts due on such Redemption Date. Notwithstanding the foregoing, for any Interest due but unpaid, the Record Date specified in Clause 0 shall apply.

## **16. DECISIONS BY NOTEHOLDERS**

### **16.1 Request for a decision**

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

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

- 16.2.1 The Agent shall convene a Noteholders' Meeting by way of notice to the Noteholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete notice from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons).
- 16.2.2 The notice pursuant to Clause 16.2.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) a form of power of attorney, and (v) the agenda for the meeting. The background, reasons and contents of each proposal as well as any applicable conditions and conditions precedent shall be specified in the notice. If a proposal concerns an amendment to any Finance Document, such proposed amendment must always be set out in detail. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.
- 16.2.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 16.2.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **16.3 Instigation of Written Procedure**

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

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

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

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

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

- 16.4.2 The following matters shall require the consent of Noteholders representing at least sixty six and two thirds (66⅔) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:
- (a) the issue of any Subsequent Notes, if the total nominal amount of the Notes exceeds, or if such issue would cause the total nominal amount of the Notes to at any time exceed, SEK 500,000,000 (for the avoidance of doubt, for which consent shall be required at each occasion such Subsequent Notes are issued);
  - (b) a change to the terms of any of Clause 2.1, and Clauses 0 to 2.7;
  - (c) a change to the Interest Rate or the Nominal Amount;
  - (d) a change to the terms of Clause 5.2;
  - (e) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of proceeds*);
  - (f) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 16.4 (*Majority, quorum and other provisions*);
  - (g) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
  - (h) a mandatory exchange of the Notes for other securities; and
  - (i) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 14 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.
- 16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a) or (c)), an acceleration of the Notes.
- 16.4.4 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Noteholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or
  - (b) if in respect of a Written Procedure, reply to the request.

- 16.4.5 If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.
- 16.4.6 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Noteholders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Noteholders' Meeting or Written Procedure.
- 16.4.7 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as applicable.
- 16.4.8 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Notes (irrespective of whether such person is a Noteholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.4.10 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Noteholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.
- 16.4.13 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to in Clause 16.4.1(a) or 16.4.1(b), as the case may be, and also be published on the websites of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## 17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree in writing to amend and waive any provision in a Finance Document or any other document relating to the Notes, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Noteholders as a group;
  - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
  - (c) is required by any applicable regulation, a court ruling or a decision by a relevant authority; or
  - (d) has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Noteholders.
- 17.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.
- 17.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.4 (*Availability of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## 18. THE AGENT

### 18.1 Appointment of the Agent

- 18.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 18.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 18.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 18.1.4 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the



Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

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

## **18.2 Duties of the Agent**

- 18.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents, including, *inter alia*, holding the Security created pursuant to the Escrow Account Pledge Agreement on behalf of the Noteholders and, where relevant, enforcing the Security created under the Escrow Account Pledge Agreement on behalf of the Noteholders.
- 18.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Agent does not bind the Noteholders or the Issuer. The Agent is not responsible for the content, valid execution, legal validity, perfection or enforceability of the Finance Documents.
- 18.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 18.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders as a group and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 18.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage external experts when carrying out its duties as agent, without having to first obtain any consent from the Noteholders or the Issuer. The Agent shall however remain liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.
- 18.2.6 The Issuer shall on demand by the Agent pay all costs for external experts engaged by it (i) after the occurrence of an Event of Default, (ii) for the purpose of investigating or considering (A) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default or (B) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents, and (iii) in connection with any Noteholders' Meeting or Written Procedure, or (iv) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).
- 18.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 18.2.8 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) whether any Event of Default has occurred, (ii) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, or (iii) whether any other event specified in any Finance Document has occurred. Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

- 18.2.9 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 18.2.10 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer or the Noteholders (as applicable), the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 18.2.11 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 18.2.10.

### **18.3 Liability for the Agent**

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

### **18.4 Replacement of the Agent**

- 18.4.1 Subject to Clause 18.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.
- 18.4.2 Subject to Clause 18.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.
- 18.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way

of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

- 18.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company.
- 18.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 18.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 18.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 18.4.8 In the event that there is a change of the Agent in accordance with this Clause 18.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **19. THE ISSUING AGENT**

- 19.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 19.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.
- 19.3 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Notes.
- 19.4 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Issuing Agent shall never be responsible for indirect or consequential loss.

## 20. THE CSD

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

## 21. NO DIRECT ACTIONS BY NOTEHOLDERS

- 21.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (*företagsrekonstruktion*) or bankruptcy (*konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. Such steps may only be taken by the Agent.
- 21.2 Clause 21.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 18.1.2), such actions within a reasonable period of time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 18.2.10, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.11 before a Noteholder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 20.1 shall not in any way limit an individual Noteholder's right to claim and enforce payments which are due to it under Clause 10.5 (*Mandatory repurchase due to a Change of Control Event or an Admission to Trading Failure Event (put option)*) or other payments which are due by the Issuer to some but not all Noteholders.

## 22. PRESCRIPTION

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

## 23. COMMUNICATIONS AND PRESS RELEASES

### 23.1 Communications

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

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

23.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 23.1.1, or, in case of email, when received in readable form by the email recipient.

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

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

### 23.2 Press releases

23.2.1 Any notice that the Issuer or the Agent shall send to the Noteholders pursuant to Clauses 10.3 (*Voluntary total redemption (call option)*), 0 (*Early redemption due to illegality (call option)*), 11.1.3, 14.3, 16.2.1, 16.3.1, 16.4.13 and 17.3 shall also be published by way of press release by any of the Issuer or the Agent, as applicable.

23.2.2 In addition to Clause 23.2.1, if any information relating to the Notes or the Group contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

## 24. FORCE MAJEURE

24.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, civil commotion, terrorism or any other similar circumstance (a "**Force Majeure Event**"). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

24.2 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

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

**25. GOVERNING LAW AND JURISDICTION**

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

25.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*). The submission to the jurisdiction of the City Court of Stockholm shall however not limit the right of the Agent (or the Noteholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.

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## BILAGA 1

### FORM OF COMPLIANCE CERTIFICATE

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

Dear Sirs,

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

1. We refer to the Terms and Conditions. This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate.
2. This compliance certificate relates to:  
     Test date: [DATE]  
     Relevant Period: [PERIOD]
3. We confirm that the Equity Ratio for the Relevant Period was not less than 20 per cent.  
     *[Item 4 below shall only be included if the incurrence test pursuant to Clause 13.3 (Incurrence test) is to be reported]*
4. [We confirm that the Leverage Ratio for the Relevant Period does not exceed 3.50:1.
5. We confirm that no Event of Default has occurred. *[If this statement cannot be made, the certificate should identify any Event of Default that has occurred and the steps taken to remedy it.]*

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

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

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

Yours faithfully,

MIDSUMMER AB (PUBL)

\_\_\_\_\_  
 Name:

\_\_\_\_\_  
 Name:

**BILAGA 2**  
**FORM OF DISBURSEMENT NOTICE**

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

Dear Sirs,

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

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

Yours faithfully,  
MIDSUMMER AB (PUBL)

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:



## SIGNATURES

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

Place:

Date:

**MIDSUMMER AB (PUBL)**  
as Issuer

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Name:

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

Place:

Date:

**NORDIC TRUSTEE & AGENCY AB**  
as Agent

\_\_\_\_\_  
Name:

## ADDRESSES

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### The Issuer

#### Midsummer AB (publ)

**Postal address**

Elektronikhöjden 6, SE-175 43 Järfälla

**Visiting address**

Elektronikhöjden 6, Järfälla  
Telephone: +46 (0) 8 525 096 10  
website: [www.midsummer.se](http://www.midsummer.se)

### Joint Bookrunners

#### DNB Markets, DNB Bank ASA, filial Sverige

**Postal address**

Regeringsgatan 59, SE-105 88, Stockholm

**Visiting address**

Regeringsgatan 59, Stockholm  
Telephone: +46 (0) 8 473 48 50  
[www.dnb.se](http://www.dnb.se)

#### Nordea Bank Abp

**Postal address**

Smålandsgatan 17, SE-105 71 Stockholm

**Visiting address**

Smålandsgatan 17, Stockholm  
Telephone: +46 (0) 8 614 85 00  
[www.nordea.se](http://www.nordea.se)

### Legal Adviser

#### Mannheimer Swartling Advokatbyrå

**Postal address**

Box 1711, SE-111 87 Stockholm

**Visiting address**

Norrandsgatan 21, Stockholm  
Telephone: + 46 (0) 8 595 060 00  
[www.mannheimerswartling.se](http://www.mannheimerswartling.se)

### Agent

#### Nordic Trustee & Agency AB (publ)

**Postal address**

P.O. Box 7329, SE-103 90 Stockholm

**Visiting address**

Norrandsgatan 23, Stockholm  
website: [nordictrustee.com](http://nordictrustee.com)

### Auditor to the Issuer

#### KPMG AB

**Postal address**

P.O. Box 743, SE-194 27 Upplands Väsby

**Visiting address**

Vasagatan 16, 111 20 Stockholm  
Telephone: + 46 (0) 8 723 91 00  
website: [www.kpmg.se](http://www.kpmg.se)

### CSD

#### Euroclear Sweden AB

**Postal address**

P.O. Box 191, SE-191 23 Stockholm

**Visiting address**

Klarabergsviadukten 63, Stockholm



Elektronikhöjden 6, 175 43 Järfälla

[www.midsummer.se](http://www.midsummer.se)