

This prospectus was approved by the Swedish Financial Supervisory Authority on 15 June 2021. The validity of this prospectus will expire within twelve (12) months after the date of its approval. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.



DistIT AB (publ)

PROSPECTUS REGARDING THE ADMISSION TO TRADING OF

SEK 300,000,000

SENIOR UNSECURED CALLABLE FLOATING RATE BONDS

2021/2025

ISIN: SE0015949359

15 June 2021

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by DistIT AB (publ), Swedish reg. no. 556116-4384 (“**DistIT**”, the “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries, unless otherwise indicated by the context, the “**Group**”), in relation to the application for admission to trading of the Issuer’s SEK 300,000,000 senior unsecured callable floating rate bonds 2021/2025 with ISIN SE0015949359 (the “**Bonds**”), issued under a framework of SEK 800,000,000, of which 300,000,000 was issued on 19 May 2021 (the “**Issue Date**”), in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**” and the “**Bond Issue**”, respectively), on the corporate bond list on Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). Concepts and terms defined in Section “*Terms and Conditions for the Bonds*” are used with the same meaning throughout the entire Prospectus unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus. The Issuer may at one or more occasions after the Issue Date issue Subsequent Bonds under the Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Bond Issues equals SEK 800,000,000. Only Bonds that have been issued as of the date of approval of the Prospectus may be admitted to trading based on the Prospectus.

This Prospectus has been prepared by the Company and approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) pursuant to Chapter II and Article 20 in the 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**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of admitting the Bonds to trading on Nasdaq Stockholm. This Prospectus may not be distributed in the US, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where such distribution or disposal requires additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in Rule 902 of Regulation S under the Securities Act).

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer’s auditors. Certain financial information in this Prospectus may have been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them. This Prospectus shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, any references to “**SEK**” refer to Swedish Kronor.

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

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

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the Swedish Financial Supervisory Authority’s website (www.fi.se) and the Issuer’s website (www.distit.se).

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RISK FACTORS

In this section, a number of risk factors are illustrated, both risks pertaining to the Issuer and the Group's market risks, business risks, legal and regulatory risks, financial risks and risks relating to the Bonds. The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Bonds in order to make an informed investment decision. Each of the risk factors set forth below describe risks which, in the meaning of Regulation (EU) 2017/1129, are material and specific to the Issuer and the Bonds.

The relative degree of materiality of each risk factor is illustrated by an assessment of the Issuer of the probability of its occurrence and the expected magnitude of its negative impact if it would occur, for the purpose of which the probability is stated to be "low", "medium" or "high" and the magnitude of negative impact is stated to be "low", "medium" or "high". Irrespective of the probability or magnitude of negative impact stated in relation to each risk factor, all risk factors included below have been assessed by the Issuer to be material and specific to the Issuer and the Bonds in the meaning of Regulation (EU) 2017/1129.

The risk factors are organised in several categories and the most material risk factor in a category is presented first in each category. Subsequent risk factors in the same category are not purported to be ranked in order of materiality or probability of occurrence.

RISKS SPECIFIC AND MATERIAL TO THE ISSUER AND THE GROUP

I. Risks related to the Group's business and operations

Risks related to acquisitions

The Group has historically acquired companies and may in the future, from time to time, evaluate potential new acquisitions that are in line with the Group's strategic objectives of expanding the Group's geographical reach and customer base. Some of the Group's most recent acquisitions are the acquisition of 60 per cent. of Tight Led Scandinavia AB in 2019 and LydRommet AS in 2018. There is a risk that the Group will not be able to continue to identify suitable acquisition targets, carry out acquisitions on favourable terms (or at all) or that competitive bidders will push up the price of the acquisition targets, which would have a material adverse effect on the Group's future prospects as it would not be able to carry through investments, thus reducing the Group's future profitability.

The acquisition of a portfolio company also involves operational and financial risks, e.g., that the acquired company will not achieve expected financial targets. It is not certain that material commercial or financial issues regarding a target company are discovered during due diligence reviews. When conducting a due diligence of a target company, reliance may be placed on public information, which often is limited and include information provided by the target company itself. Therefore, the Company cannot always be certain that the due diligence review will reveal all relevant facts and risks that could be necessary in order to attain a reasonable evaluation of the relevant target company. If acquired companies underachieve financially or can only be acquired at high prices, the returns on the Group's investment, in terms of dividends and capital gain, might be lower than expected, having a material adverse effect on the Group's cash flow and future profits.

Furthermore, the acquisition of a company is an extensive and complex process that includes large costs, e.g. for financial, legal and tax advisors, a significant part of which are charged to the Issuer even if an acquisition process is aborted. Accordingly, if the Group is unable to complete a sufficient share of commenced acquisition processes, the Group will contract costs without any corresponding gain, which would reduce the Group's profits over time.

The Issuer considers the probability of the risk occurring to be *medium*. If the risk were to occur, the Issuer considers the potential negative impact to be *medium*.

Business risks

The Group distributes IT products, data communication products and consumer electronics to businesses and consumers throughout Europe. Companies within the Group are mainly distributors of niche products with strong market positions. The Group's products are distributed to, inter alia, retailers, online retailers, service companies, telecom operators, discount retailers and grocery stores. Since the industry in which the Group operates is highly technology driven it is developing fast and future developments are subject to great uncertainty as to future customer demands and preferences. There is a risk that the markets for the Group's products develop in a different direction than the Group predicts, that new products or technologies develop outside of the scope of the Group's products making the Group's products insufficient or redundant, a general decline in demand for IT products or the Group's products in particular or that new distribution channels with direct sales to consumers or businesses develop, thus removing the Group Companies from the distribution chain. If any of the abovementioned risks were to materialise, it would result in the Group not being able to sell its products at all or in decreased sales volumes, both of which would have a material adverse effect on the profits for the Group.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *medium*.

Dependence on suppliers

Since the Group's business is centred around buying IT products and selling them to customers, it is dependent on a number of suppliers for the products it distributes. The loss of key suppliers within product categories such as networks and professional AV-products, or suppliers selling directly to the Group's customers, could result in loss of sales in the affected product segments.

There is also a risk that the suppliers of products and services to Group Companies will deliver products of services either too late or not at all, or that the quality of the deliveries will not meet the relevant Group Company's expectations, which would hinder their ability to sell or perform single types, or categories, of products or services which in the short term could entail sales losses, and in the long term, loss of profits which would have a corresponding effect on the profits of the Group. Such material adverse effect from the loss of suppliers could also have an indirect material adverse effect on the Group's costs since the affected Group Companies may then be forced to engage in costly searches for alternative suppliers who in turn may differ from current suppliers in terms of price and the quality of products and services they provide. In addition, there is a risk that suppliers do not comply with laws and rules, with negative reputational consequences for the Group, which could lead to customers choosing to purchase products and/or services from other providers, resulting in a loss of sales for the Group.

The Issuer considers the probability of the risk occurring to be *medium*. If the risk were to occur, the Issuer considers the potential negative impact to be *medium*.

Dependence on storage facilitators

Since the Group's business revolves around buying, storing and selling IT products, the Group is dependent on product storage facilities. As of 31 December 2020, the Group's total inventory valued at

approximately SEK 406 233 000.¹ There is a risk that such third party storage facilitators or the Group's own product storage facilities or the products therein would be damaged, for example as a result of fire, or if there are issues or delays in distribution channels or if any of the storage facilities would have to close or third party operators discontinue operations, the Group may suffer losses or delays in delivery, both of which would have a material adverse effect on the Group's profits. In addition, there is a risk that third party storage distributors would increase the prices charged to the Group, which would decrease the Group's margins which would have a material adverse effect on the Group's profits.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *low*.

Risks related to employees

The Group's development of the business, and consequently its future growth, is dependent on the management and on the knowledge, experience, ability and involvement of key individuals as well as other employees. The Group has a relatively small organisation with an average of 251 employees in the Group and two employees in the Issuer during 2020, which makes it particularly sensitive to the loss of key personnel.² The market for professionals with qualifications in M&A, target company integration and development and management is highly competitive and the loss of key employees can have a material adverse impact on the Issuer's operations and profits. If the Issuer is unsuccessful in maintaining, identifying, attracting, developing and motivating employees or if it takes too long to hire personnel, in particular key individuals, this could impair the Group's ability to acquire profitable and reasonably priced companies needed in order to continue the Group's acquisition growth strategy, thus having a material adverse effect on the Group's future prospects.

The Issuer considers the probability of the risk occurring to be *medium*. If the risk were to occur, the Issuer considers the potential negative impact to be *low*.

II. Risks related to the Group's industry and the market environment

Macroeconomic risks

The Group's products are generally sold on geographical independent markets in the Nordic and Baltic countries to customers in a vast range of various sectors, inter alia, the retail and electronic technology sector and customers within, inter alia, the tech, IT and consumer electronics industry. The Group's performance and business is affected by a number of macroeconomic factors which impact the spending of the Group's customers, which are outside of the Group's control and difficult to predict. These factors include, but are not limited to, gross domestic product growth, unemployment rates, inflation and deflation, consumer and business confidence, the availability and cost of credit, interest rates, taxation, regulatory changes, commodity prices, as well as the possibility to raising financing for the Group, it being understood that such macroeconomic factors vary from time to time and that their effect on the Group's profits and financial position cannot be specifically and singularly assessed and/or isolated. There is a risk that the customers' production levels or support requirements change materially, in particular in the case of a widespread financial crisis and economic downturn or in the case of an economic downturn in a particular industry, country or region. There is also a risk that changes in the

¹The information is derived from the Group's audited consolidated financial statements for the financial year 2020, p. 52.

²The information is derived from the Group's audited consolidated financial statements for the financial year 2020, p. 49.

political situation in a region or country or that political decisions affecting an industry or country materially impact customer demand or the ability to up-stream funds from the Group Companies to the Issuer. Protracted declines in demand caused by uncertain economic conditions in one or more of the Group's geographic markets, the deterioration of the financial condition of any of the Group Companies' customers or any other reason would have a material adverse effect on the aggregate sales numbers of the Group and thus have a material negative effect on the Group's profits.

There is a risk that the Group will not be able to fully or partially recover purchase prices on a timely basis or at all, especially if economic conditions weaken and/or competition intensifies. As a result, margins may be squeezed for a period of time or indefinitely. Any inability to recover purchase costs increases and price pressure in general on products that the Group distributes can hurt margins

Events, such as natural disasters and pandemics, could have significant consequences for the Group's turnover, through direct or indirect consequences such as closure of facilities, product shortage, economic down turn and/or impact on own production. If the current COVID-19 outbreak continues to be present over time, there is a risk the Group will be adversely affected by the outbreak of COVID-19 e.g. through its impact on the Group Companies' customers, business partners and counterparties entailing changes in purchase habits which in turn would be likely to have a material adverse effect on demand for the Group's products and services and thereby adversely affecting the Group's profits.

The Issuer considers the probability of the risk occurring to be *medium*. If the risk were to occur, the Issuer considers the potential negative impact to be *medium*.

Competition risk

The Group has several major national and international competitors across different product categories, segments and geographic markets, including Tura, Exertis CapTech, Despec and EET in the Nordics as general distributors. Additionally, there are niche distributors in various categories and geographical markets in competition with the Group's subsidiaries for example Nordic Game Supply in the gaming category and CBK in B2B category in Norway. In addition, there are several large distributors of more of "box-moving" character in Europe including Also, Ingram and TechData. During the last few years, the Group has recognised an increased price competition and pressure on the market, causing lower profit margins on some of the Group's product areas of external distribution such as active network products.

Companies in the market compete among other things by brand recognition, product innovation, price, quality, performance and service. There is a risk that the competitive landscape may not develop in the direction the Group predicts, e.g. that the Group's competitors engage in price competition by merging with other competitors or by implementing new initiatives or developing more competitive services or products than those of the Group. Even actors who are not competing with the Group's services and products at this time can broaden their service and product offerings to areas where the Group is active. Market development and new distribution channels may also increase the risk of international competitive distributors gaining market shares and may also facilitate a direct distribution from suppliers to customers. If any of the abovementioned risks were to materialise, it could have a negative impact on demand for the Group's products and reduce future sales volumes and in the case of price pressure decrease the Group's margins, both of which in turn would have a material adverse effect on the profits for the Group. Any inability to recover price pressure in general on products that the Group distributes could also hurt the Group's margins and have a material adverse effect on the Group's profits.

The Issuer considers the probability of the risk occurring to be *medium*. If the risk were to occur, the Issuer considers the potential negative impact to be *medium*.

III. Legal, regulatory and social risks

Product quality and safety risk

The Group distributes own branded products with warranties that extend up to five years such as cables, and the products are in general subject to certain standards, such as the “CE” standard. Quality issues in the products the Group distributes could result in damages to customers and property and induce liabilities, warranty claims and damages, the costs of which being payable by the Group which the Group in turn may not be able to fully recover from the producers, causing lower profit margins for the Group.

There is a risk that any injuries or damage resulting from deficiencies in the products or the inappropriate use thereof may lead to product liability claims that result in require the Group to make significant cash payments. Hence, in the event a claim is successfully brought against the Group, it may result in an adverse effect on the Group’s operating results and customer relations. Any such occurrence would also risk damaging the reputation of the Group and/or its products and services, which could lead to customers choosing to purchase products and/or services from other providers, resulting in a loss of sales for the Group. In addition, any product claim, whether or not successful, could also increase the Group’s insurance premiums or negatively affect its reputation, resulting in a loss of customers or business.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *medium*.

Risks relating to data protection regulations

The Group handles personal data that primarily involves employees, customers, suppliers, job candidates and, since the Company’s share is traded on Nasdaq First North, shareholders, which means that the Group is required to comply with applicable privacy legislation regarding the collection and processing of information. Since 25 May 2018, the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (the “**GDPR**”) has been applicable in all EU member states and has as such replaced previous national personal data legislation. The GDPR entails extensive changes to the EU personal data regulation, with a strengthening of individual rights, stricter requirements on companies handling personal data and stricter sanctions with considerable administrative fines. The adherence to GDPR is of vital importance since a failure to do so stipulates a risk that Group Companies, including the Issuer, will be required to pay considerable sanctions. The sanctions could be as high as 4 per cent. of the Group’s total turnover, which would correspond to a sanction of approximately MSEK 94 based on the Group’s annual report of the financial year ended 31 December 2020. There is therefore a risk that the Group is unable to comply with legislation regarding privacy and personal data entailing that sanctions or other penalties may be imposed, which, in addition to its direct material adverse effect on the Group’s costs and profits, severely could reputational damage to the Group which could decrease the demand for the Group’s products, ultimately affecting the Groups profits.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *medium*.

Intellectual property rights

Certain of the Group's products such as cables, smart home devices and gaming accessories are so called own branded products (Sw. *egna märkesvaror*) which means that such products are sold under a brand owned by a Group Company. The sale of own branded products, which made up approximately 27 per cent. of the Group's consolidated revenue during 2020³, is dependent on trademarks for brand recognition. A failure to protect such trademarks could result on the Group losing its market share and ability to capitalize on the reputation of its own branded products, both of which could have a material adverse effect on the Group's profits.

Reliance on the Group's trademarks for its own branded products makes the Group vulnerable to brand damage in a variety of ways. For example, the Group could become a victim of a product safety or other compliance issue, product tampering or contamination or brand dilution. Damage to the Group's trademarks could result in the loss of revenue associated with the affected products and higher costs to address these circumstances, including those associated with any product recall events that may occur. The number of customers, sales partners and the results of the Group's operations may be significantly affected by the public's perception of the Group and similar companies.

The Group is, from time to time, subject to litigation or other proceedings relating to the defence of the Group's trademarks or due to claims of the Group infringing on intellectual property rights of third parties. The costs of such proceedings may (even if resolved in in the Group's favour) be substantial. Any adverse judgments with respect to such trademarks could also negatively impact the Group's business and ability to compete.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *low*.

The Issuer is dependent on its subsidiaries

The Issuer is the ultimate parent company in the Group and the Group's operations are mainly run through its subsidiaries. The Issuer is therefore dependent on its subsidiaries to fulfil its payment obligations under the Bonds. This means that the Issuer's ability to make required payments of interest on its debts and funding is directly affected by the ability of its subsidiaries to transfer available cash resources to it e.g. via the Group's cash pool arrangement, intra group loans, dividends or other transfers of value. The Issuer itself does not contribute to the Group's net turnover. The transfer of funds to the Issuer from its subsidiaries may in the future be restricted or prohibited by legal and contractual requirements applicable to the respective subsidiaries. There is a risk that limitations or restrictions on the transfer of funds between companies within the Group, becomes more restrictive in the event that the Group experiences difficulties with respect to liquidity and its financial position. If this risk were to materialise it would have a material adverse effect on the Issuer's ability to make payments under the Bonds as they fall due.

³ The information is derived from the Group's audited consolidated financial statements for the financial year 2020, p. 49.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *low*.

Risks relating to IT infrastructure

The Group depends on information technology to manage critical business processes, including administrative and financial functions and outsources certain IT systems. Any downtime of network servers, attacks by IT viruses, other disruptions or failure of information technology systems are possible and could have an adverse effect on the Group's Financial Position. Further, insufficient IT and outsourcing strategies and documentation of IT systems and strategies may result in failure of the Group's information technology systems which could cause transaction errors and disruption to the Group's business. Any such occurrence could have a negative impact on the Group's operations, including its product distribution. In addition, there is a risk that the aforementioned IT failures cause unauthorised disclosure of confidential customer information, which would result in customer or counterparty claims, administrative fines and reporting obligations under applicable data protection laws.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *medium*.

Risks relating to regulations, standards and health and safety regulations

The Group's business is not regulated or subject to any license, but is affected by various product specific legislative acts, regulations and standards. The Group Companies' products are required to meet certain applicable standards and legal requirements as to product safety. Furthermore, certain products are required to carry CE markings according to Directive 2011/65/EU. Consequently, certain requirements apply in relation to the products sold and distributed by the Group Companies. Should the Group Companies fail to adhere to relevant requirements or fail to identify and address any future requirements, it could lead to increased costs due to, *inter alia*, products being required to be withdrawn, production stoppages and delayed deliveries as well as reputational damage and a risk for actions being taken by supervisory authorities. Furthermore, any amendments of applicable laws, regulations and standards, leading to stricter requirements or changed conditions regarding product specifications and safety, or a development to a stricter implementation and application by the authorities of existing laws and regulations may have several negative implications for the Group as it could be forced to incur costs for advisors and update its product stock in order to comply with such new laws and regulations.

If any of the above risks were to materialise, it would reduce the Group's revenues and/or have a material adverse effect on the Group's cash flow, which could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *low*.

IV. Risks related to the Group's financial situation

Credit risk

During the financial year ending 31 December 2020, all of the Group's revenues came from credit receivables as all of the Group's current customers are businesses. There is a risk that the Group's customer receivables will be paid too late or not at all. There also is a risk that one or more customers will represent a large share of sales in the future, which could increase the credit risk. If a customer, or several customers together, representing a large share of the Group's sales were to not pay the Group's

receivables in time (or at all) it would entail major credit losses for the Group which would have a direct negative effect on the Group's cash flow and liquidity which would have a material adverse effect on the Group's financial position as the Group would be forced incur a corresponding external financing. Credit losses would also reduce the Group's profits. As an illustrative example, credit loss corresponding to 0.50 per cent. of the customer receivables existing as of 31 December 2020 would have reduced the Group's consolidated profits (after deduction for taxes) for the financial year 2020 by approximately 4 per cent.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *low*.

Liquidity risk

The Group finances its business activities using debt and, to a lesser extent, equity capital. Following the successful issuance of the Bond and redemption of the Group's outstanding bonds, the Group's net interest bearing debt (excluding operational leases) amounts to SEK 152 million and have an average tenor of approximately five years. The Issuer aims to continuously assess and monitor the funds needed for its operations so it would have sufficient cash flow and enough liquidity to finance its operations and possible investments as well as for the payments of its debts as they fall due. Debt capital funding is always associated with the risk that it may not be possible to borrow the volume required at economically acceptable conditions or that attempts at refinancing using debt capital may fail totally or partially. Internal factors (such as the credit rating assigned by the market on the basis of the group's earnings and financial situation or management's skill in dealing with existing and potential sources of debt funding) and external factors (such as the general interest rate levels on the market, the lending policies of banks and other sources of debt capital, or changes in the legal environment) both play a role. In addition, there is a risk that the refinancing interest level could move in an unfavourable direction and that the cost of financing could increase due to a rise in the interest rate. The Group is also subject to the general risk that extensions of existing liabilities, refinancing or acquisition financing may not be available to the desired extent or can only be obtained on economically unattractive terms, and that loan due dates may be brought forward, making it necessary to cash in securities under certain circumstances.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *low*.

Ability to service debt

Following the successful issuance of the Bond and redemption of the Group's outstanding bonds, the Group's net interest bearing debt (excluding operational leases) amounts to SEK 152 million and have an average tenor of approximately five years. The Group's ability to service its long and short term debt will depend upon, among other things, the Group's Financial Position, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are outside the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group may be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity. There is a risk that the Group may not be able to affect any of these remedies on satisfactory terms, or at all. Each such risk could adversely affect the Group's Financial Position.

The Issuer considers the probability of the risk occurring to be *low*. If the risk were to occur, the Issuer considers the potential negative impact to be *low*.

RISK FACTORS SPECIFIC AND MATERIAL TO THE BONDS

I. Risks related to the nature of the Bonds

Ability to service debt

The Issuer's ability to service its debt under the Bonds depends on, among other things, the Group's future financial and operating performance, which will be affected by prevailing economic conditions and financial, business, regulatory and other factors, some of which are beyond the Group's control. If the Group's operating income is not sufficient to service its current or future indebtedness, the Group will be forced to take actions such as reducing or delaying its business activities, acquisitions, investments or capital expenditures, selling assets, restructuring or refinancing its debt or seeking additional equity capital.

The risk that the Group cannot service its debt obligations under the Bonds also implies a credit risk for investors in the Bonds. An increased credit risk will cause the market to charge the Bonds a higher risk premium, which will affect the Bonds' secondary market value negatively. Another aspect of the credit risk is that a deteriorating financial position of the Group will reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds, as it may cause the Issuer's credit profile to decrease, and consequently the Issuer's ability to repay the Bonds at maturity, as set out below under "*Refinancing risk*".

Refinancing risk

The Issuer may be required to refinance its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Group's financial position at such time. The Group's ability to refinance its debt obligations is also restricted by the Terms and Conditions allowing incurrence of additional debt only provided that certain conditions and/or covenants (incurrence test) are met. Such restrictions as well as adverse developments in the credit markets and other future adverse developments, such as the further deterioration of the overall financial markets or a worsening of general economic conditions, could have a material adverse effect on the Group's ability to borrow funds as well as the cost and other terms of funding. There is a risk that such funds will not be available at a commercially reasonable cost, or at all, and consequently there is a risk that the Group will not be able to refinance the Bonds when they mature or repay the principal of the Bonds upon an early redemption or repurchase of Bonds. Hence, the Group's operations would be adversely affected if the Group is unable to refinance the Bonds.

Unsecured obligations

The Bonds constitute unsecured debt obligations of the Issuer. If the Issuer becomes subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the Bondholders normally receive payment after any prioritised creditors, including those which are mandatorily preferred by law, have been paid in full. Furthermore, following prioritised creditors receiving payment in full, the Bondholders have an unsecured claim against the Issuer for the amounts due under or in respect of the Bonds, which means that the Bondholders normally would receive payment *pro rata* with other unsecured creditors, which could have a negative impact on the Bondholders' recovery under the Bonds.

As security for the Issuer's obligations under existing credit agreements, the Issuer has provided collateral in the form of security over, *inter alia*, business mortgages and share pledges. Further, the Terms and Conditions allows incurrence of additional secured debt provided that certain conditions

and/or covenants are met. The Bonds thus have a subordinated claim to the right of payment and rank junior to the secured debt in case of an insolvency procedure regarding the Issuer, which could have a negative impact on the Bondholders' recovery under the Bonds.

Structural subordination and insolvency of subsidiaries

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such company would be entitled to payment in full out of the assets of such company before the Issuer, as a shareholder, would be entitled to any payments. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries. Defaults by, or the insolvency of, subsidiaries or other associates of the Issuer may result in the obligation of the Issuer to make payments under financial or performance guarantees in respect of such companies' obligations or the occurrence of cross defaults on certain borrowings of the Group. There is a risk that the Issuer and its assets would not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise.

Credit risks

An investment in the Bonds carries a credit risk relating to the Issuer and the Group. The Holders' ability to receive payment under the Terms and Conditions is therefore dependent upon the Issuer's and the Group's ability to meet its payment obligations, which in turn is dependent upon the performance of the Group's operations and its financial position which in turn is subject to the risks set out in the risk factors under the Section "*Risks specific and material to the Issuer and the Group*". The Group's financial position is affected by several factors, a number of which have been discussed in this material.

An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' value negatively. Another aspect of the credit risk is that any deterioration in the financial position of the Group may reduce the Group's possibility to receive debt financing at the time of redemption of the Bonds.

Interest rate risks and benchmarks

The Bonds' value depends on several factors, one of the more significant over time being the level of market interest. Potential investors in the Bonds are hence dependent on a favorable and stable general market interest rate over time in order to sustain profitability in respect of its investment. The Bonds carry a floating rate interest of STIBOR (3 months) plus a certain margin that is determined for each interest period. Hence, the interest rate is to a certain extent adjusted for changes in the level of the general interest rate. An increase of the general interest rate level could adversely affect the value of the Bonds. The general interest rate level is to a high degree affected by the financial development at large and is outside the Group's control.

The determining interest rate benchmarks, such as STIBOR has been subject to regulatory changes such as the Benchmarks Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial and contracts or to measure the performance of investment funds) (the "**BMR**"). The implementation of the BMR will lead to that certain previously used benchmarks, such as LIBOR will be discontinued, leading to that, inter alia, existing financing arrangements may need to be renegotiated or terminated. There is a risk that also STIBOR will be discontinued, or that alternative benchmark rates will dominate market practice, leading to uncertainties in relation to the interest rate payable in relation to the Bonds. Increased or altered regulatory requirements and risks associated with the BMR (as amended) involve inherent risks, as the effects cannot be fully assessed at this point in time. There is a risk that

developments in relation to STIBOR cause volatility in STIBOR, which would affect the interest rate for the Bonds.

Should STIBOR be discontinued, the Terms and Conditions provides for an alternative calculation of the interest rate for the Bonds. There is a risk that such alternative calculation results in interest payments less advantageous for the Bondholders or that such interest payment do not meet market interest rate expectations.

II. Risks related to the admission of the Bonds to trading on a regulated market

Risks related to admission to trading

The Issuer has undertaken to ensure that the Bonds are listed on a regulated market within sixty (60) days (and to use its best efforts to list the Bonds within thirty (30) days) after the issue date for the Bonds and any failure to procure such admission to trading on time will provide each Bondholder with a right of prepayment (put option) of its Bonds, which is further described in the risk factor “*Risks related to acceleration of the Bonds and put options*”, and may also result in an acceleration of the Bonds.

There is a risk that the Bonds will not be admitted to trading on the relevant market place within the intended time frames or at all. Investors holding Bonds on an investment savings account (Sw. ISK or IS-konto) will not be able to hold the Bonds on such account, thus affecting such investor’s tax situation. Furthermore, a failure to procure such listing within twelve (12) months after the issue date will constitute an event of default under the Terms and Conditions, which could result in the Bonds being accelerated prior to maturity which could adversely affect the Bondholders recovery under the Bonds.

Liquidity risks and secondary market

There is a risk that there will be no active trading in the Bonds or that the market will not be maintained over time, and considering the nominal amount of each Bond is relatively high (SEK 1,250,000), there is a risk that the market for trading in the Bonds will be illiquid even if the Bonds are admitted to trading as only. This may result in the Holders being unable to sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. Lack of liquidity in the market may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds, if they are admitted for trading. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

III. Risks related to the Bondholders’ rights and representation

Risks related to acceleration of the Bonds and put options

Upon the occurrence of an Event of Default (as specified in the Terms and Conditions), the Bonds may be accelerated at the terms and price set out in the Terms and Conditions. Furthermore, upon the occurrence of a Change of Control, a De-listing or Listing Failure (as defined in the Terms and Conditions), the Bonds are subject to prepayment at the option of each Bondholder (put option) at the terms and price set out in the Terms and Conditions. There is a risk that the Issuer will not have sufficient funds at the time of such prepayment or acceleration to make the required redemption of, or payment in

respect of, the Bonds. Apart from that an investor could lose part of, or its entire investment, this could in turn adversely affect the Issuer, e.g. by causing illiquidity, insolvency or an Event of Default under the Terms and Conditions, and consequently adversely affect all holders of Bonds, and not only those that choose to exercise the option.

Voluntary early redemption

Under certain conditions, the Terms and Conditions provide for a right for the Issuer to redeem the Bonds prior to its final maturity date at certain premiums (call option amount). During the period when the Issuer opts to voluntarily redeem the Bonds, the market value of the Bonds will most likely not be significantly higher than the call option price set out in the Terms and Conditions. If the Issuer exercises its right to early redemption of the Bonds when the market value of the Bonds is higher than the relevant call option price, it could affect the investor's possibilities to re-invest the repaid amount on the same terms as the terms of the redeemed Bonds. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.

Bondholders' representation

In accordance with the Terms and Conditions, the Agent represents all Bondholders in all matters relating to the Bonds. Consequently, a Bondholder is not entitled to bring any actions against the Issuer relating to the Bonds, unless such actions are supported by the required majority pursuant to the Terms and Conditions, and a Bondholder's means to safeguard its interests with regards to the Bonds may therefore be limited.

To enable the Agent to represent the Bondholders in court, the Bondholders may have to submit written powers of attorney for legal proceedings. If such power of attorney should not be submitted by all Bondholders, the enforcement of the Bonds could be adversely affected. Under the Terms and Conditions, the Agent has the right, in some cases, to make decisions and take measures that is binding to all Bondholders. Consequently, there is a risk that a Bondholder is bound by decisions that could have a negative impact on the market value of the Bonds or that is detrimental to the individual Bondholder.

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions for the Bonds included under Section “*Terms and Conditions for the Bonds*”, before a decision is made to invest in the Bonds.

General

Issuer	DistIT AB (publ), Swedish reg. no. 556116-4384.
Resolutions, authorisations and approvals	The Issuer’s board of directors resolved to issue the Bonds on 3 May 2021.
The Bonds offered.....	SEK 300,000,000 in an aggregate principal amount of senior unsecured callable floating rate bonds due 19 May 2025.
Nature of the Bonds	The Bonds constitute debt instruments (Sw. <i>skuldförbindelser</i>), each of the type set forth in Chapter 1, Section 3 of the Central Securities Depositories and Financial Instruments Accounts Act (Sw. <i>lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument</i>).
Number of Bonds	As of the date of this Prospectus, 240 Bonds have been issued. A maximum of 640 Bonds may be issued under the Terms and Condition. Only Bonds that have been issued at the date of approval of the Prospectus may be admitted to trading based on the Prospectus.
ISIN.....	SE0015949359.
Issue Date.....	19 May 2021.
Price	All Bonds issued on the Issue Date have been issued at an issue price of 100 per cent. of the Nominal Amount.
Interest Rate	Interest on the Bonds is paid at a rate equal to the sum of (a) three (3) months STIBOR, plus (b) 450 basis points. Interest will accrue from, but excluding, the Issue Date.
Use of benchmark	Interest payable for the Bonds issued under the Terms and Conditions is calculated by reference to STIBOR. As of the date of this Prospectus, the administrator (being Swedish Financial Benchmark Facility) does not appear in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the regulation (EU) 2016/1011 (the Benchmark Regulation).
Interest Payment Dates.....	Quarterly in arrears on 19 February, 19 May, 19 August and 19 November each year (with the first Interest Payment Date being on 19 August 2021 and the last Interest Payment Date being the Final Redemption Date, 19 May 2025). Interest will accrue from, but excluding, the relevant Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).
Final Redemption Date	19 May 2025.
Nominal Amount.....	The initial nominal amount of each Bond is SEK 1,250,000 and the minimum permissible investment upon issuance of the Bonds was SEK 1,250,000.

Denomination.....	The Bonds are denominated in SEK.
Status of the Bonds	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.
Use of Proceeds.....	The Net Proceeds of Initial Bond Issue shall be applied towards (i) redemption and repurchase of the Existing Bonds in full and (ii) general corporate purposes of the Group (including, but not limited to, capital expenditures, acquisitions and investments). The Net Proceeds of any Subsequent Bond Issue shall be applied towards general corporate purposes of the Group (including, but not limited to, capital expenditures, acquisitions and investments).

Call Option

Call Option.....	<p>The Issuer may redeem all of the Bonds in full on any Business Day falling on or after the First Issue Date (being 19 May 2021) at the applicable Call Option Amount together with accrued but unpaid Interest, in accordance with Clause 11.3 (<i>Early voluntary total redemption (call option)</i>) of the Terms and Conditions, the Call Option Amount being:</p> <ul style="list-style-type: none"> (a) an amount equivalent to the sum of 102.25 per cent. of the Nominal Amount and (ii) the remaining interest payments up until (but not including) the First Call Date, if the Call Option is exercised on or after the First Issue Date up to (but not including) the First Call Date; (b) 102.25 per cent. of the Nominal Amount, if the Call Option is exercised on or after the First Call Date up to (but not including) the date falling thirty (30) months after the First Issue Date; (c) 101.575 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling thirty (30) months after the First Issue Date up to (but not including) the date falling thirty-six (36) months after the First Issue Date; (d) 100.90 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling thirty-six (36) months after the First Issue Date up to (but not including) the date falling forty-two (42) months after the First Issue Date; (e) 100.45 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling forty-two (42) months after the First Issue Date up to (but not including) the date falling forty-five (45) months after the First Issue Date; or (f) 100.00 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling forty-five (45) months after the First Issue Date up to (but not including) the Final Redemption Date.
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Put Option

Put Option	Upon the occurrence of a Change of Control, a De-listing or a Listing Failure, each Bondholder shall have the right to request that all, or only some, of its
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	Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following a notice from the Issuer of the relevant event, in accordance with Clause 11.4 (<i>Mandatory repurchase due to a Change of Control, a De-listing or Listing Failure (put option)</i>) of the Terms and Conditions.
Change of Control.....	A Change of Control means the occurrence of an event or series of events whereby 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 (50.00) per cent. of the votes of the Issuer, or (b) the right to, directly or indirectly, appoint or remove the whole or a majority of the directors of the board of directors of the Issuer.
De-listing.....	A De-listing means the occurrence of an event or series of events whereby (a) the Issuer’s shares are not listed and admitted to trading on an MTF or a Regulated Market or trading of the Issuer’s shares on the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive Business Days, or (b) the Bonds, once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market, are no longer admitted to trading or listed thereon (however, taking into account the rules and regulations (as amended from time to time) of the relevant Regulated Market, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).
Listing Failure.....	A Listing Failure means a situation where (a) the Bonds issued in the Initial Bond Issue have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the First Issue Date, or (b) any Bonds issued in a Subsequent Bond Issue have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the relevant Issue Date.

Undertakings

Certain undertakings The Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and other Group Companies, including, among others:

- restrictions on making distributions, including Lex Asea dividends;
- undertaking to have the Bonds admitted to trading within twelve (12) months after the Issue Date;
- restrictions in relation to incurring Financial Indebtedness and providing security or guarantees;
- undertaking to at all times meet the Maintenance Test;
- restrictions on disposals of assets;
- restrictions on mergers and demergers;
- restrictions on making any substantial changes to the general nature of the business carried out by the Group; and
- restrictions on dealings with related parties.

Each of these covenants is subject to significant exceptions and qualifications. See the Terms and Conditions of the Bonds for more information.

Miscellaneous

Transfer restrictions	The Bonds are freely transferable. The Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds under local laws to which such Bondholder may be subject (due to, <i>e.g.</i> , its nationality, its residency, its registered address or its place(s) of business). The Bonds have not been, and will not be, registered under the US 1933 Securities Act.
Credit rating	No credit rating has been assigned to the Bonds.
Admission to trading	Application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm will be filed in connection with the Swedish Financial Supervisory Authority's approval of this Prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 17 June 2021. The total expenses of the admission to trading of the Bonds are estimated to amount to approximately SEK 100,000. Only Bonds that have been issued as of the date of approval of the Prospectus may be admitted to trading based on the Prospectus.
Representation of the Bondholders	<p>Nordic Trustee & Agency AB (publ), Swedish reg. no. 556882-1879, is acting as Agent for the Bondholders in relation to the Bonds and any other matter within its authority or duty in accordance with the Terms and Conditions.</p> <p>By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Terms and Conditions. The Terms and Conditions are available at the Agent's office address, Norrlandsgatan 23, SE-111 43 Stockholm, Sweden, during normal business hours as well as at the Agent's website, www.nordictrustee.com.</p>
Governing law	The Bonds are governed by Swedish law.
Time-bar	The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of Interest (excluding any capitalised Interest) shall be time-barred and become void three (3) years from the relevant due date for payment.
Clearing and settlement	The Bonds are connected to the account-based system of Euroclear Sweden AB, Swedish reg. no. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden. This means that the Bonds are registered on behalf of the Bondholders on a securities account (<i>Sw. VP-konto</i>). No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through Euroclear Sweden AB's book-entry system.
Risk factors	Investing in the Bonds involves substantial risks and prospective investors should refer to Section " <i>Risk Factors</i> " for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview of the Issuer

Legal and commercial name.....	DistIT AB (publ)
Corporate reg. no.	556116-4384
LEI-code.....	213800CGP4AKXSLWWS08
Date and place of registration....	17 February 1968, Sweden, with the Swedish Companies Registration Office (Sw. <i>Bolagsverket</i>)
Date of incorporation	20 February 1968
Legal form.....	Swedish public limited liability company
Jurisdiction and laws	The Issuer is registered with the Swedish Companies Registration Office and operates under the laws of Sweden including, but not limited to, the Swedish Companies Act (Sw. <i>aktiebolagslagen (2005:551)</i>) and the Swedish Annual Accounts Act (Sw. <i>årsredovisningslagen (1995:1554)</i>)
Registered office	Stockholm
Head office and visiting address	Glasfibergatan 8, SE-125 45 Älvsjö, Sweden
Phone number.....	+46 (0)8 - 555 76 200
Website.....	www.distit.se (the information provided at the Issuer’s website does not form part of this Prospectus unless explicitly incorporated by reference into the Prospectus)

History and development

Year	Event
1991	<ul style="list-style-type: none">The Issuer was initially a trading company founded in Ludvika in 1991. The business started in 1992 with the business idea of importing cables from Taiwan and selling them to companies in the Swedish market. From the beginning, it was a limited activity that quickly gained momentum and soon included more products.
1995	<ul style="list-style-type: none">The Issuer expanded and established offices and warehouses in Finland with the intention of covering a larger part of the Nordic market. An initiative that has subsequently proved to be important for the company’s continued development.
1997	<ul style="list-style-type: none">The Issuer was acquired by the IT group TurnIT AB (publ) (“TurnIT”), where the Issuer became a major part of the entire organization and a mainstay of TurnIT Supplies.
1999	<ul style="list-style-type: none">The Issuer once again expanded abroad and established offices and warehouses in Denmark. The purpose was to get closer to the Danish market and to take further important market shares in the Nordic region.
2005	<ul style="list-style-type: none">Intoi AB (publ) (“Intoi”) acquired TurnIT, to which the Issuer was a subsidiary.

- 2007
 - The Issuer launched its own brand DELTACO™. Several products were designed, developed and produced for the DELTACO™ product range during this year.

 - 2011
 - Intoi divested the Issuer and the Issuer was listed as an independent company on NASDAQ OMX First North. SweDeltaco AB (“**SweDeltaco**”), a subsidiary of the Issuer, established itself in Norway during the year.

 - 2012
 - The Issuer acquired Alcadon AB (“**Alcadon**”), which is a Swedish distributor of products for data and telecommunications.

 - 2013
 - The Issuer acquired Aurora Group Danmark A/S (“**Aurora**”), which is a distributor of accessories in home electronics in the Nordic market. Aurora has its own sales companies in Denmark, Norway, Finland and Sweden.

 - 2014
 - The Issuer changed its name to DistIT AB (publ).
 - SweDeltaco expands its operations in Lithuania and Latvia through the acquisition of AG Trade UAB. Later, the company changed its name to Deltaco Baltic UAB.

 - 2015
 - The Issuer’s shares were listed on OMX Nasdaq First North Premier.
 - Aurora was appointed by PROCTER & GAMBLE and DURACELL® as Master Importer of DURACELL® in the Nordic region.

 - 2016
 - Alcadon’s shares was distributed to the Issuer’s shareholders in a so called Lex Asea dividend and subsequently admitted to trading on Nasdaq First North.
 - SweDeltaco launches a new brand, Nordic Home Culture™, for home electronics.

 - 2017
 - The Issuer acquired Septon Electronic AB and Septronic AB (together “**Septon**”). Septon is a distributor of high-end audio products in Sweden.
 - The Issuer acquired UAB Sominis Technology (“**Sominis**”), which is a distributor of accessories and spare parts of IT products in Lithuania.
 - SweDeltaco acquired Winther Wireless AB, which is a niche distributor focusing on wireless network solutions for indoor and outdoor needs.

 - 2018
 - Septon acquired LydRommet, which is a distributor of professional AV-products in Norway and Denmark.

 - 2019
 - An intra-organisational merger of Aurora and Deltaco was initiated. The aim of the merger is to expand the subsidiaries’ market and cost synergies regarding sales and support functions. A full integration is expected in 2022.
 - Septon acquired, through one of its subsidiaries, 60 per cent. of the shares in Tight Led Scandinavia AB, which designs and produces LED-products under the brand TiGHT.
-

Business and operations

General

The Group was founded in 1991 and the business idea was at the beginning to import cables from Taiwan and thereafter sell the cables on the Swedish market. The business was quite limited in the beginning, but quickly grew and began to include more products. As of today the Group acquires, owns and develops niche distributors within IT, mobility, home electronics, networks and data communications in Europe. The companies within the DistIT Group are supplier of both B2B and B2C products on the IT market in the Nordic region as well as surrounding regions.

The Company directly owns four subsidiaries (excluding DistIT Services AB), Aurora, SweDeltaco, Septon and Sominis:

- Aurora was acquired in 2013 and the company is a distributor of accessories on the consumer electronics market in Northern Europe with nearly 100 years of experience and with operations in 10 countries. Distribution is centralized to Jönköping and Lilla Edet, Sweden, whereas all back-office and support functions are located in Copenhagen, Denmark.
- SweDeltaco's business concept is to offer an attractive range of IT products and household appliances in the Nordic and Baltic countries. The company's business model is to deliver quality products with a high level of service and a personal commitment to its customers and suppliers. The work is done proactively on several fronts to maintain and develop a competitive business.
- Septon is a distributor of high-quality audio and video equipment. The business is based on delivering advanced AV products with a strong focus on cutting edge technology. The company's product range consists of speakers, amplifiers, projectors, monitors, media players, microphones, headphones, sound mixers, wireless systems, etc. Septon has about 120 retailers and the company's products are available in over 300 sales outlets in Sweden.
- Sominis was acquired in 2017 and was initially founded in 2011 in Lithuania. The company is an international reseller of computers, gaming products, home electronics, etc. The company offers a wide portfolio of products from recognized brands.

In 2019, an intra-organisational merger of Aurora and SweDeltaco was initiated. The aim of the merger is to expand the subsidiaries' market and cost synergies regarding sales and support functions. In 2020, a joint management for the two subsidiaries was put in place and a full integration is expected in 2022. The new organisation will have a larger market share in the Nordic market, as well as the merger is expected to enhance the financial results.

Financial Targets of the Issuer and the Group

In order to secure the future development of the Group, the Issuer has implemented a number of programs, added necessary competences, and developed an updated strategy and business plan and has in connection with this laid down the following new financial targets for 2025 based on organic growth:

- Revenue of SEK 3.5 billion.
- Gross margin of 25 per cent.
- EBIT margin of minimum 8 per cent.
- Accumulated M&A capacity of SEK 1.5 – 2.0 billion, after dividends.

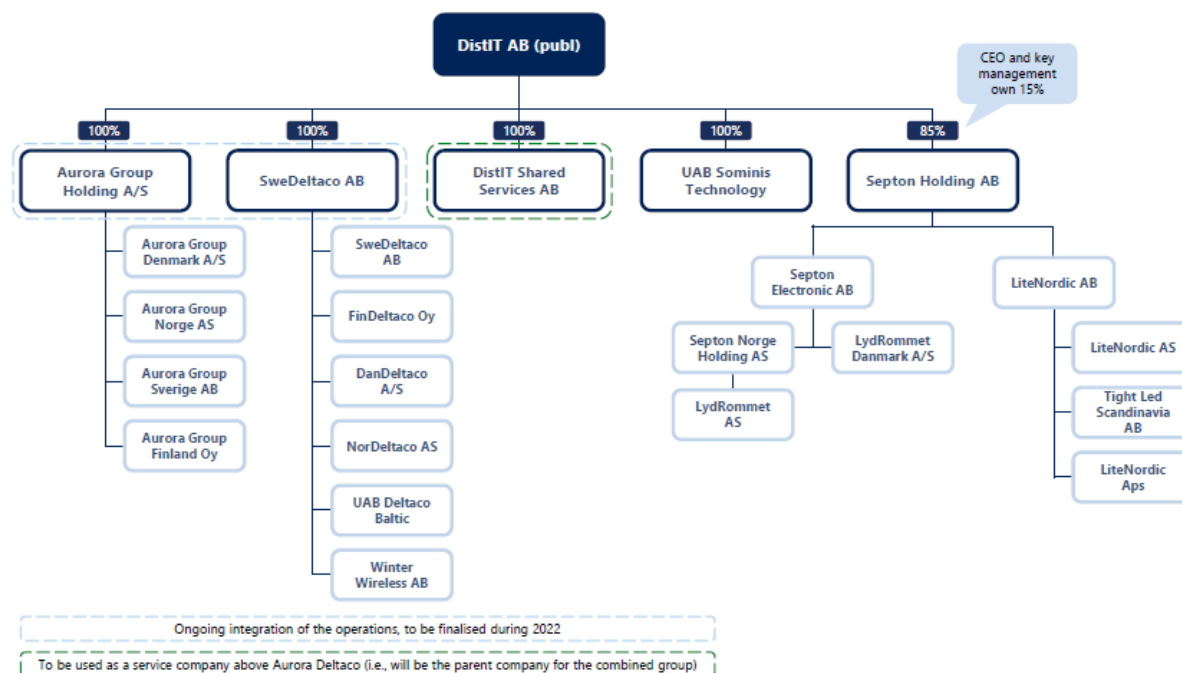
Material agreements

Neither the Issuer nor any other Group Company has entered into any material agreements that are not entered into in the ordinary course of its business, which could result in any Group Company being under an obligation or

entitlement that is material to the Issuer’s ability to meet its obligations to the Bondholders under the Terms and Conditions.

Overview of the Group

The legal structure of the Group is set out in the simplified group structure presented below.



The Group’s operations are conducted through, and the revenues of the Issuer emanates from, the Issuer’s operational subsidiaries. The Issuer is thus dependent on its subsidiaries, associated companies in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

Recent events particular to the Issuer

During the first quarter of 2021, the Group has acquired the minority interests in the Group Companies Winther Wireless AB and UAB Sominis Technology in accordance with an existing agreement. In addition, the Group divested all its shares in the Group Company UAB Tarpo.

On 10 May 2021, the Group has exercised its right to call for the early redemption in full of its maximum SEK 300,000,000 senior unsecured floating rate bonds 2018/2022 with ISIN SE0011166842 (the “Existing Bonds”). The Existing Bonds were redeemed on 4 June 2021 at a price equal to 100.50 per cent. of the total outstanding nominal amount of the Existing Bonds (i.e. SEK 1,005,000 per Existing Bond).

Except for the above and the issuance of the Bonds, there have been no recent events particular to the Issuer, which are to a material extent relevant to the evaluation of the Issuer’s solvency.

Material adverse changes, significant changes and trend information

There has been no material adverse change in the prospects of the Issuer since the date of publication of its last audited financial report.

There have been no significant changes in the financial performance of the Group since the end of the last financial period for which financial information has been published to the date of this Prospectus and there have been no

significant changes in the financial position of the Group which has occurred since the end of the last financial period for which the Group has published financial information, i.e. the period ending on 31 March 2021.

There has been no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for the current financial year. However, the Group has experienced an increased price competition and pressure on the market during the last few years from general distributors such as Tura, Exertis CapTech, Despec and EET, but also from various of niche distributors. Consequently, the Group has experienced lower profit margins on some of its product areas.

The spread of the coronavirus also constitutes a great concern to the world, not only due to its impact on people's lives and habits but also in terms of the impact on society as well as the future economic development. The future economic impact of the virus is still difficult to estimate due to the high degree of uncertainty surrounding the current situation and it cannot be ruled out that it may have a material effect on the Group.

Governmental, legal or arbitration proceedings

The Group has not been party to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the previous twelve (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.

Credit rating

No credit rating has been assigned to the Issuer.

OWNERSHIP STRUCTURE

Ownership structure

The ten largest shareholders of the Company as of 31 March 2021 are set out below.

Shareholders	Number of shares	Share capital (%)
Athanase Industrial Partners	3,211,193	26.1
Ribbskottet AB	1,550,000	12.6
Försäkringsaktieföretaget, Avanza Pension	867,718	7.1
Humle Kapitalförvaltning AB	705,176	5.7
Theodor Jeansson	465,000	3.8
Hajskäret Invest Ab	358,459	2.9
Nordnet Pensionsförsäkring AB	208,504	1.7
Måns Ola Flodberg	202,000	1.6
Jonas Mårtensson	200,092	1.6
Kristoffer Jeansson	200,000	1.6
Other shareholders	4,313,819	35.1
Total	12,281,961	100.00

The largest indirect shareholders of the Issuer are the Company's chairman Stefan Charette who holds 26.1 per cent. of the shares in the Issuer indirectly through Athanase Industrial Partners and board member Anders Bladh who holds 12.6 per cent. of the shares in the Issuer indirectly through Ribbskottet AB.

The shareholders' influence is exercised through active participation in the decisions made at the general meetings of the Issuer. To ensure that the control over the Issuer is not abused, the Issuer complies with the relevant laws in Sweden including among others the Swedish Companies Act (Sw. *aktieföretagslagen (2005:551)*). In addition, the Issuer acts in compliance with the rules of Nasdaq First North Premier Growth Market of Nasdaq Stockholm Bond Market.

Shareholders' agreements

There are no shareholders' agreements or other agreements which could result in a change of control of the Issuer.

THE BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS

General

The division of duties between the board of directors and the CEO follows Swedish law and is set out in the rules of procedure for the board of directors and instructions for the CEO. The CEO and the CFO are responsible for the Issuer's ongoing management and operations, reports to the board of directors and are required to manage the operations in accordance with the board of directors' guidelines and instructions as well as provide the board with decision-aiding materials. The board of directors and the executive management may be contacted through the Issuer at its head office at Glasfibergatan 8, SE-125 45 Älvsjö, Sweden.

Board of directors

The section below presents the members of the board of directors, their position, including the year of their initial election and their significant assignments outside the Issuer, which are relevant for the Issuer.

Members of the board of directors

Stefan Charette

Stefan has been chairman of the board of directors since 2016.

Other relevant assignments: Chairman of the board of directors of Athanase Industrial Partners Ltd, Haldex AB and Catella Fondförvaltning AB as well as member of the board of directors of Actic Group AB, Alcadon Group AB, Zalaris AB and Zutec Ltd.

Anders Bladh

Anders has been a member of the board of directors since 2018.

Other relevant assignments: CEO and member of the board of directors of Intervalor AB as well as member of the board of directors of Ribbskottet AB and Rimturs AB.

Charlotte Hansson

Charlotte has been a member of the board of directors since 2012.

Other relevant assignments: CEO and member of the board of directors of Scandinavian Insight Consulting AB. Chairman of the board of directors of Orio AB and Link Top Holding A/S as well as member of the board of directors of Bergman & Beving AB, Green Cargo AB, Probi AB, Stena Trade & Industry AB and Senergia Nordic AB.

Jonas Mårtensson

Jonas has been a member of the board of directors since 2011.

Other relevant assignments: Chairman of the board of directors of OPP Owner AB and Ownpower Projects Europe AB as well as member of the board of directors of Alcadon Group AB, Slitevind AB, dLaboratory Sweden AB, CLN Sverige AB, Altred AB, JNM Invest AB and DO Intressenter AB.

Mikael Nilsson

Mikael has been a member of the board of directors since 2021.

Other relevant assignments: Member of the board of directors of Odd Molly Sverige AB and Used By International AB.

Executive management

The section below presents the members of the executive management, including the year each person became a member of the executive management and their shareholdings in the Issuer.

Members of the executive management

Robert Rosenzweig

Robert has been CEO since 2018.

Philip Gunnarsson

Philip has been CFO since 2020.

Conflicts of interests within administrative, management and control bodies

None of the members of the board of directors or the executive management of the Issuer has a private interest that may be in conflict with the interests of the Issuer except as described below. However, certain members of the board of directors or the executive management of the Issuer have financial interests in the Issuer as a consequence of their holdings of shares in the Issuer. The members of the board of directors may serve as directors or officers of other companies or have significant shareholdings in other companies that may result in a conflict of interest. In the event that such conflict of interest arises at a board meeting, a board member which has such conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. As far as the Issuer is aware, there are no conflicts of interest as of the date of this Prospectus.

Notwithstanding the above, it cannot be ruled out that other conflicts of interest may arise in the future between companies, in which members of the board of directors or the executive management of the Issuer have duties, and the Issuer.

Auditor

The Issuer's auditor, Grant Thornton Sweden AB, with Daniel Forsgren as the auditor in charge, was the auditor for the consolidated audited annual report for the financial year ended 31 December 2019 and 2020. Daniel Forsgren is a member of FAR (the professional institute for authorised public accountants in Sweden). The business address of Grant Thornton Sweden AB is Sveavägen 20, SE-103 94 Stockholm, Sweden.

Grant Thornton Sweden AB was re-elected as the Issuer's auditor at the annual general meeting 2021. Therése Utengen was elected as the new auditor in charge and replaced Daniel Forsgren. Therése Utengen is a member of FAR (the professional institute for authorised public accountants in Sweden).

SUPPLEMENTARY INFORMATION

Information about the Prospectus

This Prospectus has been approved by the Swedish Financial Supervisory Authority as competent authority under Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority'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 Bonds.

Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the issuance of the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 19 May 2021 was resolved upon by the board of directors of the Issuer on 3 May 2021.

The board of directors of the Issuer is responsible for the information contained in the Prospectus. The board of directors of the Issuer declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import. The board of directors of the Issuer is responsible for the information given in the Prospectus only under the conditions and to the extent set forth in Swedish law.

Information from third parties

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

Interest of natural and legal persons involved in the bond issue

The Issuer's financial advisor in the connection with the issuance of the Bonds, ABG Sundal Collier AB (and/or its affiliates) have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of ABG Sundal Collier AB and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Documents available for inspection

Copies of the following documents are available in paper format at the Issuer's head office during the validity period of this Prospectus as well as available in electronic format at the Issuer's website, www.distit.se.

- The Issuer's articles of association.
- The Issuer's certificate of registration.
- The Group's consolidated audited annual report for the financial year ended 31 December 2019, including the applicable audit report.
- The Group's consolidated audited annual report for the financial year ended 31 December 2020, including the applicable audit report.

FINANCIAL INFORMATION

Historical financial information

The Group's consolidated audited annual reports for the financial years ended 31 December 2019 and 31 December 2020 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

All financial information in this Prospectus relating to the financial period 1 January – 31 December 2019 or as of 31 December 2019 derives from the Group's consolidated audited annual report for the financial year ended 31 December 2019. All financial information in this Prospectus relating to the financial period 1 January – 31 December 2020, as of 31 December 2020 or as of year-end 2020 derives from the Group's consolidated audited annual report for the financial year ended 31 December 2020.

Accounting standards

The financial information for the financial year ended 31 December 2019 and 2020 have been prepared in accordance with Swedish generally accepted accounting principles (Sw. *god redovisningssed*), the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the EU. In addition, Swedish Financial Reporting Board recommendation RFR 1, Supplementary Reporting Rules for Groups, has been applied.

Auditing of the historical financial information

The Group's consolidated audited annual reports for the financial year ended 31 December 2019 and 2020 have been audited by Grant Thornton Sweden AB, with Daniel Forsgren as the auditor in charge. Unless otherwise explicitly stated, no other information contained in this Prospectus has been audited or reviewed by the Issuer's auditor.

Incorporation by reference

The following information in the Group's consolidated audited annual reports for the financial years ended 31 December 2019 and 2020 is incorporated in this Prospectus by reference and is available at the Issuer's website, <https://distit.se/sv/investerare/finansiella-rapporter/>. For particular financial figures, please refer to the pages set out below.

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Terms and Conditions for the Bonds

TERMS AND CONDITIONS



DistIT AB (publ)

Maximum SEK 800,000,000

Senior Unsecured Callable Floating Rate Bonds 2021/2025

First Issue Date: 19 May 2021

ISIN: SE0015949359

SELLING RESTRICTIONS

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

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons.

PRIVACY STATEMENT

Each of the Issuer, the Agent and the Issuing Agent may collect and process personal data relating to the Bondholders, the Bondholders' representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders 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, the Agent and the Issuing Agent for the following purposes (i) to exercise their respective rights and fulfil their respective obligations under the Finance Documents, (ii) to manage the administration of the Bonds and payments under the Bonds, (iii) to enable the Bondholders to exercise their rights under the Finance Documents and (iv) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent and the Issuing Agent in relation to items (i) to (iii) above 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 (iv), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent or the Issuing Agent (as applicable). 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, the Agent or the Issuing Agent (as applicable). 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, the Agent's and the Issuing Agent's addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites: www.distit.se, www.nordictrustee.com and www.abgsc.com.

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TERMS AND CONDITIONS

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

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

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

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the aggregate Nominal Amount of all Bonds owned by a Group Company, an Affiliate of a Group Company or any other person or entity owning any Bonds that has undertaken towards a Group Company or an Affiliate of a Group Company to vote for such Bonds in accordance with the instructions given by a Group Company or an Affiliate of a Group Company, in each case irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreements**” means (i) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than ninety (90) calendar days after the date of supply, or (ii) any other trade credit incurred in the ordinary course of business.

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

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

“**Agent**” means the Bondholders’ agent under these Terms and Conditions from time to time; initially Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.

“**Bond**” means debt instruments (Sw. *skuldförbindelser*), each for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act, issued by the Issuer under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds.

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

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 16.2 (*Bondholders’ Meeting*).

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

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

“**Call Option Amount**” means

- (a) an amount equivalent to the sum of 102.25 per cent. of the Nominal Amount and (ii) the remaining interest payments up until (but not including) the First Call Date, if the Call Option is exercised on or after the First Issue Date up to (but not including) the First Call Date;
- (b) 102.25 per cent. of the Nominal Amount, if the Call Option is exercised on or after the First Call Date up to (but not including) the date falling thirty (30) months after the First Issue Date;
- (c) 101.575 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling thirty (30) months after the First Issue Date up to (but not including) the date falling thirty-six (36) months after the First Issue Date;
- (d) 100.90 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling thirty-six (36) months after the First Issue Date up to (but not including) the date falling forty-two (42) months after the First Issue Date;
- (e) 100.45 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling forty-two (42) months after the First Issue Date up to (but not including) the date falling forty-five (45) months after the First Issue Date; or
- (f) 100.00 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling forty-five (45) months after the First Issue Date up to (but not including) the Final Redemption Date.

“**Cash and Cash Equivalents**” means cash and cash equivalents of the Group in accordance with the Accounting Principles as set forth in the latest Financial Statement, *including* proceeds standing to the credit of the Escrow Account and *excluding* any Cure Amount.

“**Change of Control**” means the occurrence of an event or series of events whereby one or more Persons acting together, acquire control over the Issuer and where “control” means

- (a) acquiring or controlling, directly or indirectly, more than 50.00 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 directors of the board of directors of the Issuer.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 2 (*Form of Compliance Certificate*) unless otherwise agreed between the Agent and the Issuer.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time; initially Euroclear Sweden AB, reg. no. 556112-8074, P.O. Box 191, SE 101 23 Stockholm, Sweden.

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

“**De-listing**” means the occurrence of an event or series of events whereby:

- (a) the Issuer’s shares are not listed and admitted to trading on an MTF or a Regulated Market or trading of the Issuer’s shares on the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive Business Days; or
- (b) the Bonds, once the Bonds are admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market, are no longer admitted to trading or listed thereon (however, taking into account the rules and regulations (as amended from time to time) of the relevant Regulated Market, and the CSD preventing trading in the Bonds in close connection to the redemption of the Bonds).

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

“**EBITDA**” means, in relation to any Reference Period, the consolidated operating profit of the Group:

- a) before taking into account corporate tax or other taxes on income or gains (whether paid or received);
- b) before deducting any Net Finance Charges;
- c) excluding items of a one-off, extraordinary or non-recurring nature, provided that they do not in aggregate exceed ten (10) per cent. of EBITDA in any Reference Period, and provided that such item is reported as a one-off, extraordinary or non-recurring item in the relevant Quarterly Report;
- d) after deducting (to the extent otherwise included) the amount of profit (or adding back the amount of loss) of any member of the Group (other than the Issuer) which is attributable to any third party (other than a member of the Group) which is a shareholder in that member of the Group;
- e) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset, to the extent included in arriving at EBITDA;
- f) before deducting amortisation of any goodwill or any intangible assets;
- g) before deducting all depreciation whatsoever; and

- h) after adding back or deducting, as the case may be, any unrealised gains or losses due to exchange rate movements, provided such gains or losses relate to the business operations and not the financing of the Group,

each item as shown in the income statement of the relevant Quarterly Report.

“**Escrow Account**” means the Issuer’s bank account held with the escrow bank and which has been pledged under the Escrow Account Pledge Agreement.

“**Escrow Account Pledge Agreement**” means the pledge agreement entered into between the Issuer and the Agent before the First Issue Date 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 Bondholders (represented by the Agent).

“**Existing Bonds**” means the Issuer’s maximum SEK 500,000,000 senior unsecured callable floating rate bonds 2018/2022 with ISIN SE0011166842.

“**Event of Default**” means an event or circumstance specified as such in Clause 15 (*Termination of the Bonds*).

“**Finance Charges**” means, for the Reference Period, the aggregate amount of the accrued interest, commission, fees, discounts, payment fees, premiums or charges and other finance payments in respect of Financial Indebtedness whether paid, payable or capitalised by any Group Company according to the latest Quarterly Report(s) (calculated on a consolidated basis) without taking into account any Transaction Costs and/or any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis.

“**Finance Documents**” means the Terms and Conditions, the Agency Agreement, the Escrow Account Pledge Agreement and any other document designated by the Issuer and the Agent as a Finance Document.

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

“**Financial Indebtedness**” means any indebtedness in respect of:

- (a) monies borrowed or raised, including under any Market Loans;
- (b) receivables sold or discounted (other than on a non-recourse basis);
- (c) any amount raised under any other transaction having the commercial effect of a borrowing (including forward sale or purchase arrangements);
- (d) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (e) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(f) (without double counting) liabilities under guarantees or indemnities for any of the obligations referred to in paragraphs (a) to (e) above,

but excluding any liability for or in respect of any lease or hire purchase contract.

“**Financial Statements**” means the annual audited consolidated financial statements of the Group, the annual audited unconsolidated financial statements of the Issuer, the quarterly interim unaudited consolidated financial statements of the Group or the quarterly interim unaudited unconsolidated financial statements of the Issuer, which shall be prepared and made available according to paragraphs 1.1(a) and 1.1(b) of Clause 12.1 (*Financial Statements*).

“**Final Redemption Date**” means 19 May 2025 or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention, at which date each Bond shall be redeemed at a price equal to 100.00 per cent. of the Nominal Amount.

“**First Call Date**” means the date falling twenty-four (24) months after the First Issue Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention.

“**First Issue Date**” means 19 May 2021.

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

“**Group**” means the Issuer and each of its Subsidiaries from time to time.

“**Group Company**” means the Issuer or any of its Subsidiaries.

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

“**Initial Bond Issue**” has the meaning set forth in Clause 3.3.

“**Interest**” means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.3.

“**Interest Payment Dates**” means 19 February, 19 May, 19 August and 19 November each year as well as on the Final Redemption Date or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 19 August 2021 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).

“**Interest Period**” means each period beginning on (but excluding) the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant) and, in respect of Subsequent Bonds, each period beginning on (but excluding) the Interest Payment Date falling immediately prior to their issuance and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means 3-month STIBOR plus the Margin. If STIBOR is below zero (0), STIBOR will be deemed to be zero (0).

“**Issue Date**” means the First Issue Date or a date when Subsequent Bonds are issued.

“**Issuer**” means DistIT AB (publ), reg. no. 556116-4384, Glasfibergatan 8, SE-125 45 Älvsjö, Sweden.

“**Issuing Agent**” means ABG Sundal Collier ASA, reg. no. 883 603 362, Munkedamsveien 45, N-0205 Oslo, Norway.

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

“**Lex Asea Distribution**” means a distribution by the Issuer of the shares held by the Issuer in a majority owned subsidiary to the shareholders of the Issuer *pro rata*, deemed by the Swedish Tax Authority (Sw. *Skatteverket*) to be tax exempt pursuant to Chapter 42, Sections 16 and 16a of the Swedish Income Tax Act (Sw. *Inkomstskattelagen*).

“**Listing Failure**” means a situation where:

- (a) the Bonds issued in the Initial Bond Issue have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the First Issue Date; or
- (b) any Bonds issued in a Subsequent Bond Issue have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days from the relevant Issue Date.

“**Maintenance Test**” has the meaning set forth in Clause 13.1 (*Maintenance Test*).

“**Margin**” means 4.50 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 Nasdaq Stockholm or any other Regulated Market or unregulated recognised market place.

“**Material Adverse Effect**” means a material adverse effect on:

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

“**Material Group Company**” means the Issuer or a Subsidiary representing more than five (5) per cent. of the EBITDA of the Group on a consolidated basis according to the latest Financial Statement.

“**MTF**” means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments (MiFID II), as amended).

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB, reg. no. 556420-8394, SE-105 78 Stockholm, Sweden.

“**Net Finance Charges**” means, for the Reference Period, the Finance Charges according to the latest consolidated Quarterly Report, after deducting any interest payable for the Reference Period to any Group Company and any interest income relating to Cash and Cash Equivalents of the Group.

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt of the Group:

- (a) excluding any interest bearing debt borrowed from any Group Company; and
- (b) less Cash and Cash Equivalents of the Group

in each case according to the latest Financial Statement.

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue after deduction has been made for Transaction Costs.

“**Permitted Financial Indebtedness**” means any Financial Indebtedness

- (a) incurred under the Finance Documents (including pursuant to any Subsequent Bond Issue, if such incurrence meets the Incurrence Test (calculated *pro forma* including such incurrence));
- (b) incurred under the Existing Bonds until repaid in full in accordance with Clause 4 (*Use of proceeds*);
- (c) related to any agreements under which a Group Company leases (i) office space (Sw. *kontorshyresavtal*) or other premises and (ii) cars and other equipment, provided that such Financial Indebtedness set out in paragraphs (i) and (ii) are incurred in the ordinary course of such Group Company’s business;
- (d) taken up from a Group Company;
- (e) arising under a derivative transaction entered into by a Group Company in connection with protection against or benefit from fluctuation in any rate or price where such exposure arises in the ordinary course of business or in respect of payments to be made under the Terms and Conditions (excluding for the avoidance of doubt any derivative transaction which in itself is entered into for investment or speculative purposes) (“**Derivative Transaction**”) and, when calculating the value of any Derivative Transaction, only the mark to market value shall be taken into account;
- (f) incurred as a result of any Group Company acquiring another entity and which is due to that such acquired entity holds Financial Indebtedness, provided that the Incurrence Test is met, tested *pro forma* including the acquired entity in question, however should the Incurrence Test not be met, a clean-up period of sixty (60) calendar days is permitted to unwind such Financial Indebtedness;
- (g) incurred in connection with the redemption of the Bonds in order to fully refinance the Bonds and provided further that such Financial Indebtedness is subject to an escrow arrangement up until the redemption of the Bonds (as applicable) (taking into account the rules and regulations of the CSD), for the purpose of securing, *inter alia*, the redemption of the Bonds;
- (h) incurred in the ordinary course of business under Advance Purchase Agreements;
- (i) incurred by the Issuer if such Financial Indebtedness (i) meets the Incurrence Test (calculated *pro forma* including such incurrence), (ii) is subordinated to the obligations of the Issuer under the Terms and Conditions and under the Agent Agreement and (iii)

has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date;

- (j) of the Group under any pension and tax liabilities incurred in the ordinary course of business;
- (k) any guarantee constituting Permitted Security;
- (l) incurred under any credit facility for working capital purposes, in an aggregate amount not at any time exceeding the higher of (i) SEK 150,000,000 and (ii) an amount equivalent to one hundred thirty (130) per cent. of EBITDA for the Reference Period ending on the last day of the most recent Financial Statement (the “**Working Capital Facility**”); and
- (m) not permitted by paragraphs (a) to (l) above, in an aggregate amount not at any time exceeding SEK 5,000,000 and incurred in the ordinary course of the Group’s business (all such Financial Indebtedness is together referred to as the “**Permitted Basket**”).

“**Permitted Security**” means any guarantee or Security:

- (a) provided in accordance with the Finance Documents;
- (b) provided in respect of the Existing Bonds;
- (c) provided in relation to (i) any agreement under which a Group Company leases office space (Sw. *kontorshyresavtal*) or other premises and (ii) cars and other equipment, provided such leases constitutes Permitted Financial Indebtedness;
- (d) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (e) provided in relation to a Derivative Transaction in the form of guarantees from other Group Companies or Cash or Cash Equivalents;
- (f) provided by an entity acquired by a Group Company, provided that the debt secured or guaranteed with such Security or guarantee constitutes Permitted Financial Indebtedness in accordance with paragraph (f) of the definition of Permitted Financial Indebtedness, and, if applicable, following a repayment of such debt, that the Security or guarantee is released immediately after such repayment;
- (g) provided in connection with a redemption of the Bonds in full and constituting a first priority pledge over a bank account in the name of the Issuer for the purpose of securing, inter alia, the redemption of the Bonds;
- (h) any guarantee granted by a Group Company in respect of the obligations of another Group Company in respect of Permitted Financial Indebtedness; and
- (i) provided in relation to any Working Capital Facility and/or the Permitted Basket and not consisting of Security over shares in any Group Company.

“**Nominal Amount**” has the meaning set forth in Clause 3.3.

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

“**Quarter Date**” means each of 31 March, 30 June, 30 September and 31 December.

“**Quarter Period**” means each period beginning on the day immediately following a Quarter Date and ending on the next following Quarter Date.

“**Quarterly Report**” means the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited unconsolidated reports of the Issuer.

“**Quotation Day**” means,

- (a) in relation to an Interest Period for which an Interest Rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the First Issue Date); or
- (b) in relation to any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period (i.e., the day that period commences, even if no interest accrues on such day).

“**Record Date**” means the fifth (5th) Business Day prior to:

- (a) an Interest Payment Date;
- (b) a Redemption Date;
- (c) a date on which a payment to the Bondholders is to be made under Clause 15.11 (*Distribution of proceeds*);
- (d) the date of a Bondholders’ Meeting; or
- (e) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed or repurchased in accordance with Clause 11 (*Redemption and repurchase of the Bonds*).

“**Reference Period**” means each period of twelve (12) consecutive calendar months ending on a Quarter Date.

“**Refinancing Debt**” means any Financial Indebtedness which refinances existing Financial Indebtedness of the Group, provided that the outstanding nominal amount of such Financial Indebtedness does not increase as a result of the refinancing.

“**Refinancing Proceeds**” means the amount required to redeem the Existing Bonds in full including accrued but unpaid interest and any applicable early redemption premium but after deducting any Treasury Bonds (and any amounts accrued and premiums in relation thereto).

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

“**Restricted Payment**” has the meaning set out in Clause 14.1.

“**Securities Account**” means the account for dematerialised securities (Sw. *avstämningsregister*) maintained by the CSD pursuant to the Financial Instruments Accounts Act in which an owner of such securities is directly registered or 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.

“**SEK**” denotes the lawful currency of Sweden.

“**STIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Thomson Reuters screen SIDE01 (or through another system or website replacing it) as of or around 11:00 a.m. on the Quotation Day for the offering of deposits in SEK and for a period comparable to the relevant Interest Period; or
- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Issuing Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period, and (ii) the applicable screen rate for the shortest period (for which screen rate is available) which exceeds that Interest Period, as of around 11:00 a.m. on the Quotation Day; or
- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent, for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and (b) above and if no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in SEK offered for the relevant period.

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

“**Subsequent Bond Issue**” means any issue of Subsequent Bonds.

“**Subsidiary**” means, in relation to the Issuer, any legal entity (whether incorporated or not), in respect of which the Issuer, directly or indirectly, (a) owns shares or ownership rights representing more than 50.00 per cent. of the total number of votes held by the owners, (b) otherwise controls more than 50.00 per cent. of the total number of votes held by the owners, (c) has the power to appoint and remove all, or the majority of, the members of the board of directors or other governing body or (d) exercises control as determined in accordance with the Accounting Principles.

“**Transaction Costs**” means all fees, costs and expenses incurred by the Issuer in connection with (i) the Initial Bond Issue or a Subsequent Bond Issue, (ii) the redemption or repurchase of the Existing Bonds or (iii) the admission to trading of the Bonds (including any Subsequent Bonds) on any Regulated Market.

“**Treasury Bonds**” means any Existing Bonds held by the Issuer.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16.3 (*Written Procedure*).

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 (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (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 SEK has been attained or broken, any amount in another currency shall be counted on the basis of the rate of exchange for such currency against SEK for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website (www.riksbank.se). If no such rate is available, the most recently published rate shall be used instead.

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

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

1.2.6 The selling and distribution restrictions and the privacy statement contained in this document before the table of contents do not form part of the Terms and Conditions and may be updated without the consent of the Bondholders and the Agent (save for the privacy statement insofar it relates to the Agent).

2. **STATUS OF THE BONDS**

The Bonds 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 direct, general, unconditional, unsubordinated and unsecured

obligations of the Issuer, except for obligations mandatorily preferred by regulation applying to companies generally.

3. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

- 3.1 The Bonds are denominated in SEK and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Bondholder confirms these Terms and Conditions.
- 3.3 The aggregate amount of the bond loan will be an amount of up to SEK 800,000,000 which will be represented by Bonds, each of a nominal amount of SEK 1,250,000 or full multiples thereof (the “**Nominal Amount**”). The total nominal amount of the Initial Bonds is SEK 300,000,000 (the “**Initial Bond Issue**”).
- 3.4 All Initial Bonds are issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 3.5 The minimum permissible investment in connection with the Initial Bond Issue is SEK 1,250,000.
- 3.6 The ISIN for the Bonds is SE0015949359.
- 3.7 The Issuer may at one or more occasions after the First Issue Date issue additional Bonds under the Terms and Conditions (each such issue, a “**Subsequent Bond Issue**” and each such Bond, a “**Subsequent Bond**”), until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals SEK 800,000,000, always provided that the Incurrence Test (calculated *pro forma* including such issue) is met. Subsequent Bonds shall be issued subject to the same Terms and Conditions and, for the avoidance of doubt, the ISIN, the Interest Rate, the Nominal Amount and the final maturity applicable to the initial Bonds shall apply also to additional Bonds. The price of Subsequent Bonds may be set at the Nominal Amount or at a discount or at a higher price than the Nominal Amount

4. USE OF PROCEEDS

- 4.1 The Net Proceeds of Initial Bond Issue shall be applied towards (i) redemption and repurchase of the Existing Bonds in full and (ii) general corporate purposes of the Group (including, but not limited to, capital expenditures, acquisitions and investments).
- 4.2 The Net Proceeds of any Subsequent Bond Issue shall be applied towards general corporate purposes of the Group (including, but not limited to, capital expenditures, acquisitions and investments).

5. CONDITIONS FOR SETTLEMENT

5.1 Conditions Precedent to the First Issue Date

- 5.1.1 The Issuer shall provide to the Agent no later than 11.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), all of the documents and other evidence listed in Part 1 (*Conditions precedent for the First Issue Date*) of Schedule 1 (*Conditions precedent*).
- 5.1.2 The Agent shall without delay, confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Issuing Agent no later than 11.00 a.m. one (1) Business Day prior to the First Issue Date.
- 5.1.3 Following receipt by the Issuing Agent of the confirmations in accordance with Clauses 5.1.2, the Issuing Agent shall settle the issuance of the Initial Bonds and on the First Issue Date pay (i) the Refinancing Proceeds to the Escrow Account and (ii) the Net Proceeds of the Initial Bond Issue, less the Refinancing Proceeds, to any account designated by the Issuer.

5.2 Conditions Precedent to First Disbursement

- 5.2.1 The Agent's approval of the disbursement of the Refinancing Proceeds from the Escrow Account is subject to copy of a duly signed irrevocable call notice for the repayment of the Existing Bonds being received by the Agent (such disbursement to occur no earlier than one (1) Business Day prior to the redemption date of the Existing Bonds, unless otherwise agreed with the Agent for technical reasons), that is (or has become) unconditional.
- 5.2.2 When the conditions precedent to set out in Clause 5.2.1 above have been received by the Agent, the Agent shall instruct the escrow bank to release the Refinancing Proceeds to be applied towards repayment of the Existing Bonds in full.
- 5.2.3 If the conditions precedent set out in Clause 5.2.1 above have not been fulfilled within sixty (60) calendar days of the First Issue Date, the Issuer shall redeem all Bonds at a price equal to one hundred (100.00) per cent. of the Nominal Amount together with any accrued but unpaid interest.

5.3 Conditions Precedent for a Subsequent Bond Issue

- 5.3.1 The Issuer shall provide to the Agent, as soon as reasonably possible but in any event no later than 11.00 a.m. two (2) Business Days prior to the Issue Date (or such later time as agreed to by the Agent) in respect of Subsequent Bonds, all of the documents and other evidence listed in Part 2 (*Conditions precedent for a Subsequent Bond Issue*) of Schedule 1 (*Conditions precedent*) in form and substance satisfactory to the Agent (acting reasonably).
- 5.3.2 The Agent shall promptly, but in any event no later than 11.00 a.m. one (1) Business Day prior to the Issue Date (or such later time as agreed to by the Issuing Agent), confirm to the Issuing Agent when it is satisfied that the conditions in Clause 5.3.1 have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and waivers*)).

5.3.3 Following receipt by the Issuing Agent of the confirmation in accordance with Clause 5.3.2, the Issuing Agent shall settle the issuance of any Subsequent Bonds and pay the Net Proceeds of such Subsequent Bond Issue to the Issuer on the Issue Date in respect of such Subsequent Bonds.

5.4 **Conditions Subsequent**

5.4.1 The Issuer shall provide evidence to the Agent, showing that the Existing Bonds have been repaid in full. Such evidence is to be provided as soon as possible after the Conditions Precedent to the First Disbursement have been fulfilled and the payment from the Escrow Account have been made.

5.4.2 The Agent shall, after the Condition Subsequent has been fulfilled, instruct the escrow bank to release the Security over the Escrow Account.

5.5 **No responsibility for documentation**

5.5.1 The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation. The Agent does not review the documents and evidence referred to above from a legal or commercial perspective of the Bondholders.

6. THE BONDS AND TRANSFERABILITY

6.1 Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

6.3 Upon a transfer of Bonds, any rights and obligations under these Terms and Conditions relating to such Bonds are automatically transferred to the transferee.

6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with such restrictions at its own cost and expense.

6.5 For the avoidance of doubt and notwithstanding the above, a Bondholder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Bondholder hereunder in each case until such allegations have been resolved.

7. BONDS IN BOOK-ENTRY FORM

- 7.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Bonds shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Bondholders and their holdings of Bonds at the relevant point of time.
- 7.2 Those who according to assignment, security, the provisions of the Swedish Children and Parents Code (*Sw. föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Bond shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 7.3 The Issuer (and the Agent when permitted under the CSD's applicable regulations) 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.
- 7.4 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.
- 7.5 At the request of the Agent, the Issuer shall promptly obtain information from the Debt Register and provide it to the Agent.
- 7.6 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 Bondholders.
- 7.7 The Issuer (and the Agent when permitted under the CSD's applicable regulations) may use the information referred to in Clause 7.3 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 Bondholder or third party unless necessary for such purposes.

8. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- 8.1 If any Person other than a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or, if applicable, a coherent chain of powers of attorney or authorisations, a certificate from the authorised nominee or other sufficient authorisation for such Person.
- 8.2 A Bondholder 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 Bonds held by it. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.
- 8.3 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 Clauses 8.1 and 8.2 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.

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

9. PAYMENTS IN RESPECT OF THE BONDS

- 9.1 Any payment or repayment under these Terms and Conditions shall be made to such Person who is registered as a Bondholder on the Record Date prior to the relevant payment date, or to such other Person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Bondholder has registered, through an Account Operator, that principal, Interest and any other payment that shall be made under these Terms and Conditions shall be deposited in a certain bank account; such deposits will be effectuated by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effectuate payments as aforesaid, the Issuer shall procure that such amounts are paid to the Persons who are registered as Bondholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 9.3 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 10.4 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, 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, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.
- 9.5 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

10. INTEREST

- 10.1 The Initial Bonds will bear 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 Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Interest Payment Date falling immediately prior to its Issue Date (or the First Issue Date if there is no such Interest Payment Date) up to (and including) the relevant Redemption Date.

- 10.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 10.3 Interest shall be calculated on the basis of the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 10.4 If the Issuer fails to pay any amount payable by it and due under the Terms and Conditions, the Issuer shall pay default interest on such amount at a rate corresponding to the Interest Rate plus 200 basis points per annum from (but excluding) the date such payment was due up to (and including) the date of actual payment. The default interest shall not be capitalised but be payable to each Person who was a Bondholder 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.

11. REDEMPTION AND REPURCHASE OF THE BONDS

11.1 Redemption at maturity

The Issuer shall redeem all, but not some only, of the Bonds in full on the Final Redemption Date with an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Redemption Date is not a Business Day, the redemption shall to the extent permitted under the CSD's applicable regulations occur on the Business Day following from an application of the Business Day Convention or, if not permitted under the CSD's applicable regulations, on the first following Business Day.

11.2 Purchase of Bonds by Group Companies

Each Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. Any Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a redemption of the Bonds in full.

11.3 Early voluntary total redemption (call option)

- 11.3.1 The Issuer may redeem all, but not some only, of the Bonds in full on any Business Day falling on or after the First Issue Date but before the Final Redemption Date at the applicable Call Option Amount together with accrued but unpaid Interest.
- 11.3.2 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent. Any such notice shall state the Redemption Date and the relevant Record Date. Such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be fulfilled prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

11.4 Mandatory repurchase due to a Change of Control, a De-listing or Listing Failure (put option)

- 11.4.1 Upon the occurrence of a Change of Control, a De-listing or a Listing Failure, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to 101.00 per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of thirty (30) calendar days following a notice from the Issuer of the Change of Control, De-listing or Listing Failure (as applicable) pursuant to paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*). The thirty (30) calendar days' period may not start earlier than upon the occurrence of the Change of Control, De-listing or Listing Failure.
- 11.4.2 The notice from the Issuer pursuant to paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (a)(i) of Clause 12.4. The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.4.1.
- 11.4.3 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 11.4, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 11.4 by virtue of the conflict.
- 11.4.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.4, if a third party in connection with the occurrence of a Change of Control, De-listing or Listing Failure, as applicable, offers to purchase all Bonds in the manner and on the terms set out in this Clause 11.4 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.4, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 11.4.5 Any Bonds repurchased by the Issuer pursuant to this Clause 11.4 may at the Issuer's discretion be retained or sold, but not cancelled, except in connection with a redemption of the Bonds in full.

12. INFORMATION UNDERTAKINGS

12.1 Financial Statements

The Issuer shall make available to the Agent and on its website:

- (a) as soon as they are available, but in any event within four (4) months after the end of each financial year:
 - (i) the audited consolidated financial statements of the Group for that financial year; and
 - (ii) the annual audited unconsolidated financial statements of the Issuer for that financial year; and
- (b) as soon as they are available, but in any event within two (2) months after the end of each quarter of each of its financial years:
 - (i) the unaudited consolidated financial statements or year-end report (Sw. *bokslutskommuniké*) (as applicable) of the Group for that financial quarter; and
 - (ii) the unaudited unconsolidated financial statements of the Issuer or year-end report (as applicable) for that financial quarter.

12.2 Requirements as to Financial Statements

- 12.2.1 The Issuer shall prepare the Financial Statements in accordance with the Accounting Principles and make them available in accordance with the 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 (Sw. *lag (2007:528) om värdepappersmarknaden*) (as amended from time to time).
- 12.2.2 Each of the Financial Statements shall include a profit and loss account and a balance sheet. In addition, each of the consolidated Financial Statements shall include a cash flow statement and a management commentary or report from the Issuer's board of directors.

12.3 Compliance Certificate

- 12.3.1 The Issuer shall issue a Compliance Certificate to the Agent signed by the Issuer:
 - (a) when consolidated Financial Statements are made available to the Agent in accordance with paragraphs (a)(i) or (b)(i) of Clause 12.1 (*Financial Statements*);
 - (b) in connection with the testing of an Incurrence Test or Lex Asea Incurrence Test; and
 - (c) at the Agent's reasonable request, within twenty (20) calendar days from such request.
- 12.3.2 In each Compliance Certificate, the Issuer shall:
 - (a) certify that, so far as it is aware, no Event of Default is continuing or, if it is aware that such event is continuing, specify the event and steps, if any, being taken to remedy it;

- (b) if provided in connection with Financial Statements being made available, certify that the Maintenance Test is met, including calculations and figures in respect of the Leverage Ratio; and
- (c) if provided in connection with the incurrence of Financial Indebtedness (including through a Subsequent Bond Issue) or the making of any Restricted Payment, in each case which requires that the Incurrence Test or the Lex Asea Incurrence Test is met, that the Incurrence Test or the Lex Asea Incurrence Test (as applicable) is met (calculated on a pro forma basis including the relevant Financial Indebtedness, Subsequent Bond Issue and/or Restricted Payment, as applicable), including calculations and figures in respect of the Leverage Ratio.

12.4 **Information: miscellaneous**

The Issuer shall:

- (a) promptly notify:
 - (i) the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control, a Listing Failure or a De-listing; and
 - (ii) the Agent upon becoming aware of the occurrence of an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of any such notice;
- (b) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions) available on its website; and
- (c) upon request by the Agent, provide the Agent with any information relating to a transaction made pursuant to Clause 14.2 (*Disposal of assets*) or Clause 14.12 (*Mergers and demergers*) which the Agent deems necessary (acting reasonably).

12.5 **Restrictions**

The Issuer is only obliged to provide any information to the Agent and/or the Bondholders pursuant to this Clause 12 (*Information undertakings*) if providing such information to the Agent and/or the Bondholders would not conflict with any applicable laws or the Issuer's registration contract with Nasdaq Stockholm (or any other Regulated Market, as applicable). If such conflict would exist pursuant to the listing contract with a Regulated Market, the Issuer shall however be obliged to either seek approval from that Regulated Market or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to this Clause 12 (*Information undertakings*).

13. **FINANCIAL CONVENATS**

13.1 **Maintenance Test**

- 13.1.1 Subject to Clause 13.5 (*Equity Cure*), the Maintenance Test is met if the Leverage Ratio does not exceed 4.00:1 on any Quarter Date.

- 13.1.2 The Leverage Ratio is tested on the date on which the Maintenance Test is made and calculated in accordance with the Calculation Principles.
- 13.1.3 The Maintenance Test shall be tested quarterly on the basis of the Quarterly Report for the period covered by the relevant Quarter Date from and including 30 June 2021, for as long as any Bond is outstanding, on the basis of the consolidated interim Financial Statements for the period ending on the relevant Quarter Date and shall be reported in the Compliance Certificate delivered in connection with such Financial Statements.

13.2 Incurrence Test

The Incurrence Test is met if:

- (a) the Leverage Ratio is lower than 3.50:1; and
- (b) no Event of Default would result from the incurrence of the Financial Indebtedness or the making of the Restricted Payment (as applicable),

in each case tested on the date on which the Restricted Payment is made or relevant debt is incurred (the “**Incurrence Test Date**”) and calculated in accordance with Clause 13.4 (*Calculation Principles*).

13.3 Lex Asea Incurrence Test

The Lex Asea Incurrence Test is met if:

- (a) the Leverage Ratio is equal to or lower than 2.50:1; and
- (b) no Event of Default would result from the relevant Lex Asea Distribution,

in each case tested on the date on which the Lex Asea Distribution is made (the “**Lex Asea Incurrence Test Date**”) and calculated in accordance with Clause 13.4 (*Calculation Principles*).

13.4 Calculations Principles

For the purpose of any Incurrence Test, Lex Asea Incurrence Test or a Maintenance Test:

- (a) the figures for EBITDA for the Reference Period ending on the last day of the period covered by the most recent Quarterly Report shall be used, but:
 - (i) including the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) of a member of the Group (or attributable to a business or assets) acquired or contractually agreed to be acquired during or after the end of the Reference Period, pro forma, for the entire Reference Period;
 - (ii) excluding the operating profit before interest, tax, depreciation and amortisation (calculated on the same basis as EBITDA) attributable to any member of the Group (or to any business or assets) disposed of during or after the end of the Reference Period but before the relevant Incurrence Test Date or Lex Asea Incurrence Test Date (as applicable), pro forma, for the entire Reference Period; and

- (iii) taking into account, the net cost savings and other reasonable synergies, as the case may be, realisable for the Group within twelve (12) months from the acquisition as a result of acquisitions and/or disposals of entities referred to in paragraphs (i) and (ii) above, provided that:
 - (A) the aggregate of such adjustments to EBITDA does not exceed an aggregate maximum amount of ten (10) per cent. of EBITDA for the Reference Period taking into consideration any adjustments pursuant paragraphs (i) and (ii) above;
 - (B) such net cost savings and other reasonable synergies, as the case may be, have been certified by the CEO or the CFO of the Issuer as being reasonably likely to be realisable within 12 months of the closing of the relevant acquisition; and
 - (C) if calculated for the purpose of a Maintenance Test, that such net cost saving and other reasonable synergy may only be taken into account in relation to the first Maintenance Test following the closing of the relevant acquisition;
- (b) the figures for Net Interest Bearing Debt set forth in the most recent Quarterly Report shall be used, but:
 - (i) adding the aggregate amount of any new Market Loans (save for Refinancing Debt) incurred since the last day of the period covered by the most recent Quarterly Report up until (and including) the relevant Incurrence Test Date;
 - (ii) deducting any Net Interest Bearing Debt attributable to a disposed entity or which has been repaid, repurchased or otherwise discharged as a result of or in connection with a disposal of an entity (to the extent such Net Interest Bearing Debt is included in the relevant financial statements);
 - (iii) adding an amount equal to the Net Interest Bearing Debt directly attributable to any Financial Indebtedness owed by acquired entities;
 - (iv) deducting any Financial Indebtedness which will be refinanced with the proceeds of the Financial Indebtedness incurred; and
 - (v) not taking into account any cash balance resulting from the incurrence of the new Financial Indebtedness.

13.5 **Equity Cure**

- 13.5.1 If, within sixty (60) calendar days of the delivery of a Compliance Certificate, evidencing a breach of the Maintenance Test, the Issuer has received an equity injection in cash by way of a share issue in the Issuer or an unconditional shareholder contribution to the Issuer in a sufficient amount to ensure compliance with the Maintenance Test (the “**Cure Amount**”), no Event of Default will occur.
- 13.5.2 Upon receipt of the Cure Amount, the calculation of the Maintenance Test shall be adjusted by increasing EBITDA by an amount equal to the Cure Amount. Any Equity Cure made during

any Quarter Period shall be included until such time as that Quarter Period falls outside the Reference Period. Any Equity Cure must be made in cash to the Issuer and no more than two (2) Equity Cures may be made over the lifetime of the Bonds. Equity Cures may not be made in respect of consecutive calendar quarters.

- 13.5.3 For the avoidance of doubt, the Cure Amount shall not be considered Cash and Cash Equivalents for the purposes of calculating Net Interest Bearing Debt.

14. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the undertakings set forth in this Clause 14.

14.1 Distributions

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

- (a) pay any dividend on its shares;
- (b) repurchase any of its own shares;
- (c) redeem its share capital or other restricted equity with repayment to shareholders;
- (d) repay principal or pay interest under any shareholder loans; or
- (e) make any other similar distributions or transfers of value (Sw. *värdeöverföringar*) to the Issuer's or the Subsidiaries' direct and indirect shareholders or the Affiliates of such direct and indirect shareholders,

(the transactions set out in paragraphs (a) to (e) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment may be made, if such Restricted Payment is permitted by law and no Event of Default is continuing or would result from such Restricted Payment, by:

- (i) any Group Company (save for the Issuer) to its immediate shareholders, provided that if such payment is made by a Subsidiary which is not directly or indirectly wholly-owned by the Issuer, is made on a *pro rata* basis;
- (ii) the Issuer, provided that:
 - (A) the Incurrence Test (calculated on a *pro forma* basis including the relevant Restricted Payment) is met; and
 - (B) the aggregate amount of all Restricted Payments of the Group in a financial year (including the Restricted Payment in question but excluding any Restricted Payment made in accordance with paragraph (i) above) does not exceed fifty (50.00) per cent. of the Group's consolidated net profit (Sw. *årets resultat*) according to the annual audited financial statements for the previous financial year; or
- (iii) the Issuer of a Lex Asea Distribution, provided that the Lex Asea Incurrence Test (calculated on a *pro forma* basis including the relevant Lex Asea Distribution) is met.

14.2 **Disposals of assets**

The Issuer shall not, and shall ensure that none of its Subsidiaries will, sell or otherwise dispose of shares in any Material Group Company or of all or substantially all of its or any Material Group Company's assets or operations to any Person not being the Issuer or any of the wholly-owned Subsidiaries, unless the transaction does not have a Material Adverse Effect and:

- (a) is carried out at fair market value and on terms and conditions customary for such transaction; or
- (b) constitutes a Lex Asea Distribution and is permitted pursuant to Clause 14.1 (*Distributions*).

14.3 **Financial Indebtedness**

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

14.4 **Negative Pledge**

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

14.5 **Nature of business**

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

14.6 **Loans out**

The Issuer shall not, and shall procure that none of its Subsidiaries will, provide any loan to any party other than

- (a) loans to another Group Company; or
- (b) third parties in the ordinary course of business of the Group.

14.7 **Compliance with laws**

The Issuer shall, and shall ensure that its Subsidiaries will, comply in all material respects with all laws and regulations applicable from time to time, including but not limited to the rules and regulations of Nasdaq Stockholm or any other Regulated Market or MTF on which the Issuer's securities from time to time are listed.

14.8 **Authorisations**

The Issuer shall, and shall ensure that its Subsidiaries will, 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 a Group Company.

14.9 **Listing of Bonds**

The Issuer shall ensure that

- (a) the Bonds issued in the Initial Bond Issue are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within twelve (12) months after the First Issue Date;
- (b) the Bonds issued in any Subsequent Bond Issue are admitted to trading on the same Regulated Market as the Bonds issued in the Initial Bond Issue within twelve (12) months after the relevant Issue Date for such Subsequent Bonds; and
- (c) the Bonds, once admitted to trading on the relevant Regulated Market, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds)

14.10 **Maintenance Test**

The Issuer shall ensure that the Maintenance Test, subject to the Equity Cure, is met as long as any Bond is outstanding.

14.11 **Dealing with related parties**

The Issuer shall, and shall ensure that the Subsidiaries, conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding when such shareholder is another Group Company) and/or any Affiliates of such direct and indirect shareholders, at arm's length terms.

14.12 **Mergers and demergers**

The Issuer shall:

- (a) not enter into any amalgamation, demerger, merger or formal reorganisation (Sw. *rekonstruktion*); and

- (b) procure that no other Group Company will enter into any amalgamation, demerger, merger or reconstruction, unless the transaction (taken as a whole also taking into account any transaction ancillary or related thereto) is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

14.13 **Agency Agreement**

- (a) The Issuer shall, in accordance with the Agency Agreement:
 - (i) pay fees to the Agent;
 - (ii) indemnify the Agent for costs, losses and liabilities;
 - (iii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent; and
 - (iv) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

14.14 **CSD related undertakings**

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

14.15 **Cancellation of Treasury Bonds**

The Issuer shall cancel all Treasury Bonds before the redemption date of the Existing Bonds pursuant to the Purpose of the Bond Issue.

15. **TERMINATION OF THE BONDS**

Each of the events or circumstances set out in this Clause 15 is an Event of Default (save for Clause 15.10 (*Termination*) and Clause 15.11 (*Distribution of proceeds*)).

15.1 **Non-payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of the due date.

15.2 **Conditions Subsequent**

The Issuer has not provided the Agent with evidence, in form and substance satisfactory to the Agent (acting reasonably), showing that the “Condition Subsequent” has been fulfilled in accordance with Clause 5.3.

15.3 **Other obligations**

The Issuer does not comply with the Finance Documents in any other way than as set out under Clause 15.1 (*Non-payment*), unless the non-compliance is:

- (a) capable of being remedied; and
- (b) remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance.

15.4 **Cross-payment default and cross-acceleration**

- (a) Any Financial Indebtedness of any Material Group Company is not paid when due nor within any originally applicable grace period or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default howsoever described under any document relating to Financial Indebtedness of any Material Group Company; or
- (b) any security interest securing Financial Indebtedness over any asset of any Material Group Company is enforced,

provided however that the amount of Financial Indebtedness referred to under paragraph (a) and/or (b) above, individually or in the aggregate exceeds an amount corresponding to SEK 5,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company.

15.5 **Insolvency**

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

15.6 **Insolvency proceedings**

- (a) Any corporate action, bankruptcy, legal proceedings or other procedures are taken in relation to:
 - (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (Sw. *företagsrekonstruktion*) (by way of voluntary agreement, scheme of arrangement or otherwise) of any Material Group Company;
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of any Material Group Company or any of its assets; or
 - (iii) any analogous procedure or step is taken in any jurisdiction in respect of any Material Group Company.
- (b) Paragraph (a) above shall not apply to:
 - (i) 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; or
 - (ii) in relation to the Subsidiaries, solvent liquidations.

15.7 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of any Material Group Company having an aggregate value equal to or exceeding SEK 5,000,000 and is not discharged within 30 calendar days.

15.8 **Impossibility or illegality**

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

15.9 **Cessation of business**

The Issuer or any other Material Group Company ceases to carry on its business if such discontinuation is likely to have a Material Adverse Effect.

15.10 **Termination**

- 15.10.1 If an Event of Default has occurred and is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 15.10.3 or 15.10.5, on behalf of the Bondholders, by notice to the Issuer terminate the Bonds and to declare all, but not some only, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20)

Business Days from the date on which the Agent made such declaration) and exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

- 15.10.2 The Agent may not terminate the Bonds in accordance with Clause 15.10.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the grounds mentioned under Clause 15.10.1.
- 15.10.3 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received notice of or gained actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to Clause 15.1 (*Non-payment*)) up until the time stipulated in Clause 15.10.4 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 15.10.4 The Agent shall, within twenty (20) Business Days of the date on which the Agent received notice of or otherwise gained actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Bondholders that there exists a right of termination and obtain instructions from the Bondholders according to the provisions in Clause 16 (*Decisions by Bondholders*). If the Bondholders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Bondholders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 15.10.5 If the Bondholders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Bondholders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Bondholders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.
- 15.10.6 If the Bonds are declared due and payable in accordance with the provisions in this Clause 15, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 15.10.7 If the right to terminate the Bonds 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 termination to be deemed to exist.

15.10.8 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 15 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 16 (*Decisions by Bondholders*).

15.10.9 If the Bonds are declared due and payable in accordance with Clause 15.10.1, the Issuer shall redeem all Bonds with an amount per Bond together with a premium on the due and payable amount as set forth in the Call Option Amount for the relevant period.

15.11 **Distribution of proceeds**

15.11.1 If the Bonds have been declared due and payable in accordance with this Clause 15, all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) firstly, 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 Bondholders);
 - (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights as may have been incurred by the Agent;
 - (iii) any non-reimbursed costs incurred by the Agent for external experts; and
 - (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' meeting or a written procedure;
- (b) secondly, in or towards payment pro rata of accrued but unpaid Interest under the Bonds (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) thirdly, in or towards payment pro rata of any unpaid principal under the Bonds; and
- (d) fourthly, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Terms and Conditions, including any default interest.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

15.11.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.11.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.11.1.

15.11.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for

payments of such funds in accordance with this Clause 15.11 as soon as reasonably practicable.

- 15.11.4 If the Issuer or the Agent shall make any payment under this Clause 15.11, the Issuer or the Agent, as applicable, shall notify the Bondholders of any such payment at least ten (10) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

16. DECISIONS BY BONDHOLDERS

16.1 Request for a decision

- 16.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 16.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of a Written Procedure, as determined by the Agent. The Person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 16.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given or 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 Bondholders' 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 Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Person requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. If no Person has been appointed by the Agent to open the Bondholders' Meeting, the meeting shall be opened by a Person appointed by the requesting Person.
- 16.1.6 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16.2.1 or instigate a Written Procedure by sending communication in accordance with Clause 16.3.1. After a request from the Bondholders pursuant to Clause 18.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request

(or such later date as may be necessary for technical or administrative reasons) convene a Bondholders' Meeting in accordance with Clause 16.2.1. The Issuer shall inform the Agent before a notice for a Bondholders' 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.

16.2 **Bondholders' Meeting**

16.2.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Bondholders' Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.

16.2.2 The notice pursuant to Clause 16.2.1 shall include:

- (a) the time for the meeting;
- (b) the place for the meeting;
- (c) an agenda for the meeting (including each request for a decision by the Bondholders);
- (d) a form of power of attorney; and
- (e) should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting.

16.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.

16.2.4 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.

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

16.3 **Written Procedure**

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

registered as a Bondholder on the Business Day prior to the date on which the communication is sent. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the communication to the Issuer.

16.3.2 A communication pursuant to Clause 16.3.1 shall include:

- (a) each request for a decision by the Bondholders;
- (b) a description of the reasons for each request;
- (c) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting rights;
- (d) 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;
- (e) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days but no more than twenty (20) Business Days from the communication pursuant to Clause 16.3.1); and
- (f) if the voting shall be made electronically, instructions for such voting.

16.3.3 When the requisite majority consents of the aggregate Adjusted Nominal Amount pursuant to Clause 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 Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Bondholder*) from a Person who is, registered as a Bondholder:

- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' 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 Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

16.4.2 The following matters shall require consent of Bondholders representing at least sixty-six and two thirds ($66\frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:

- (a) waive a breach of or amend an undertaking set out in Clause 14 (*Special undertakings*);
- (b) a mandatory exchange of the Bonds for other securities;

- (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer;
 - (d) amend any payment day for principal or Interest or waive any breach of a payment undertaking;
 - (e) amend the terms of the distribution of proceeds;
 - (f) a reduction of the premium payable upon the redemption or repurchase of any Bonds;
 - (g) a change of issuer; or
 - (h) amend the provisions in this Clause 16.4.2 or in Clause 16.4.3.
- 16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Bondholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) to 1.1(d) of Clause 17.1) or a termination of the Bonds.
- 16.4.4 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Bondholders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Bondholders' Meeting shall be appointed by the Bondholders in accordance with Clause 16.4.3.
- 16.4.5 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
 - (b) if in respect of a Written Procedure, reply to the request.
- 16.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16.4.5 shall not apply to such second Bondholders' 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 these Terms and Conditions shall be subject to the Issuer's or the Agent's consent, as appropriate.
- 16.4.8 A Bondholder holding more than one Bond need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.
- 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 Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' Meeting or in a Written Procedure within the time period stipulated for the

consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

- 16.4.10 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision shall be taken by the Bondholders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 16.4.13 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites of the 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend the Finance Documents or waive any provision in the Finance Documents, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by applicable regulation, a court ruling or a decision by a relevant authority;
 - (d) is necessary for the purpose of having the Bonds admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable), provided that such amendment or waiver does not materially adversely affect the rights of the Bondholders; or
 - (e) has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders.

- 17.2 The Agent shall promptly notify the Bondholders 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 these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 17.3 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.

18. THE AGENT

18.1 Appointment of the Agent

- 18.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds 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 Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 18.1.2 Each Bondholder 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 Bondholder 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 Bondholders in accordance with the Finance Documents.
- 18.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.

- 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 Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders 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 Bondholders 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:
- (a) after the occurrence of an Event of Default;
 - (b) for the purpose of investigating or considering:
 - (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default; or
 - (ii) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Bondholders under the Finance Documents;
 - (c) in connection with any Bondholders' Meeting or Written Procedure;
 - (d) 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 15.11 (*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:
- (a) whether any Event of Default has occurred;
 - (b) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents; or
 - (c) 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 The Agent shall review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 12.3.2 and as otherwise agreed between the Issuer and the Agent. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 18.2.9.
- 18.2.10 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 18.2.9. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 18.2.11 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any regulation.
- 18.2.12 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Bondholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- 18.2.13 The Agent shall give a notice to the Bondholders 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 if it refrains from acting for any reason described in Clause 18.2.12.
- 18.2.14 Upon the reasonable request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.
- 18.2.15 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in connection with these Terms and Conditions, the Agent shall be entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default, which event shall be governed by Clause 15.10.3).

18.3 Liability for the Agent

- 18.3.1 The Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. 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 Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 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 Bondholders, 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 Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders 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 Bondholders 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 Bondholders, in which case the Bondholders shall appoint a successor Agent at a Bondholders' 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 or becomes subject to bankruptcy proceedings, 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 Bondholder (or Bondholders) 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 Bondholders, be given by them jointly), require that a Bondholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Bondholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Bondholders that the Agent be dismissed and a new Agent appointed.
- 18.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) days after:
- (a) the earlier of the notice of resignation was given or the resignation otherwise took place; or

- (b) the Agent was dismissed through a decision by the Bondholders, the Issuer shall within thirty (30) days thereafter appoint a successor Agent which shall be an independent financial institution or other reputable company with the necessary resources to act as agent in respect of Market Loans.
- 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 earlier of:
- (a) the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent; and
 - (b) the period pursuant to paragraph (b) of Clause 18.4.4 having lapsed.
- 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 Bondholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 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 Bonds. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.
- 19.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Bonds.
- 19.3 The Issuing Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross 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 Bonds.
- 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 Bondholder or the admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Market Act (Sw. *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 BONDHOLDERS

- 21.1 A Bondholder may not take any action or legal steps whatsoever against any Group Company to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or their equivalents in any other jurisdiction) of any Group Company in relation to any of the obligations or liabilities of such Group Company 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 Bondholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Bondholder to provide documents in accordance with Clause 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 18.2.12, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 18.2.13 before a Bondholder may take any action referred to in Clause 21.1.
- 21.3 The provisions of Clause 21.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control, De-listing or Listing Failure (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

22. TIME-BAR

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

- 1.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Bonds, and of three (3) years with respect to the right to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the time-bar period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

23. NOTICES AND PRESS RELEASES

23.1 Notices

23.1.1 Any notice or other communication to be made under or in connection with these Terms and Conditions:

- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or to such address as notified by the Agent to the Issuer from time to time or, if sent by e-mail by the Issuer, to such e-mail address notified by the Agent to the Issuer from time to time;
- (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or to such address as notified by the Issuer to the Agent by not less than five (5) Business Days' notice from time to time, or, if sent by e-mail by the Agent, to such e-mail address as notified by the Issuer to the Agent from time to time; and
- (c) if to the Bondholders, shall be given at their addresses as registered with the CSD (or in relation to courier or personal delivery, if such address is a box address, the addressee reasonably assumed to be associated with such box address), on the Business Day prior to dispatch, and by either courier delivery or letter for all Bondholders. A notice to the Bondholders 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 Agent and the Issuer, by e-mail) and will only be effective:

- (a) in case of courier or personal delivery, when it has been left at the address specified in Clause 23.1.1;
- (b) 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
- (c) in case of e-mail to the Agent or the Issuer, when received in legible form by the e-mail address specified in Clause 23.1.1.

23.1.3 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

23.2 **Press releases**

- 23.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clause 11.3 (Early voluntary total redemption (call option)), paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*) or Clauses 15.10.3, 15.11.4, 16.4.13, 16.2.1, 16.3.1, 17.2, 18.2.13 or 18.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.
- 23.2.2 In addition to Clause 23.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Bondholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Bondholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Bondholders, the Agent shall be entitled to issue such press release.

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. **ADMISSION TO TRADING**

- 25.1 The Issuer intends to have the Initial Bonds and any Subsequent Bonds admitted to trading on the corporate 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 thirty (30) calendar days from the relevant Issue Date. Furthermore, if the Initial Bonds or any Subsequent Bonds have not been admitted to trading on Nasdaq Stockholm (or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market) within sixty (60) calendar days after the relevant Issue Date, each Bondholder has a right of repurchase (put option) of all or some of its Bonds subject to and in accordance with Clause 11.4 (*Mandatory repurchase due to a Change of Control, De-listing or Listing Failure (put option)*).
- 25.2 The Issuer has in accordance with Clause 14.9 (*Listing of Bonds*) undertaken to have (i) the Initial Bonds admitted to trading on the corporate bond list of Nasdaq Stockholm within

twelve (12) months after the First Issue Date and (ii) any Subsequent Bonds admitted to trading on the same Regulated Market as the Bonds issued in the Initial Bond Issue within twelve (12) months after the relevant Issue Date for such Subsequent Bonds.

26. GOVERNING LAW AND JURISDICTION

- 26.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.
- 26.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 26.3, be determined by Swedish courts and the City Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.
- 26.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
-

SCHEDULE 1

CONDITIONS PRECEDENT

Part 1

Conditions Precedent to the First Issue Date

- (a) Copies of the certificate of registration (Sw. *registreringsbevis*) and articles of association (Sw. *bolagsordning*) of the Issuer.
- (b) A copy of a resolution of the board of directors of the Issuer:
 - (i) approving the terms of, and the transactions contemplated by, the Finance Documents to which it is a party and resolving that it execute, deliver and perform the Finance Documents to which it is a party;
 - (ii) authorizing a specified person or persons to execute the Finance Documents on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party;
- (c) duly executed copies of the Finance Documents; and
- (d) evidence that the Security purported to be created under the Escrow Account Pledge Agreement has been duly perfected in the form of an acknowledgement from the escrow account bank.

Part 2

Conditions Precedent for a Subsequent Bond Issue

1. The Issuer

- (a) Copies of the certificate of registration (Sw. *registreringsbevis*) and articles of association (Sw. *bolagsordning*) of the Issuer.
- (b) A copy of a resolution from the board of directors of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into documents necessary in connection therewith.

2. Miscellaneous

- (c) A Compliance 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 notice, the making of any determination or any combination of any of the foregoing or from the Subsequent Bond Issue.
- (d) Such other documents and evidence as is agreed between the Agent and the Issuer.

SCHEDULE 2

FORM OF COMPLIANCE CERTIFICATE

COMPLIANCE CERTIFICATE

To: Nordic Trustee & Agency AB (publ) as Agent

From: DistIT AB (publ) as Issuer

Date: [date]

Dear Sir or Madam,

DistIT AB (publ)

Initial issue of SEK 300,000,000

Senior Unsecured Callable Floating Rate Bonds 2021/2026 with ISIN SE0015949359

(the “Bonds” or the “Initial Bond Issue”)

(1) We refer to the terms and conditions for the Bonds (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 unless given a different meaning in this Compliance Certificate.

(2) **[Maintenance Test]**

We confirm that the Maintenance Test is met and that in respect of the Quarter Date [date] (and has not been breached since the last day of the relevant quarter to which the most recent Compliance Certificate refer), the Net Interest Bearing Debt was [♦], EBITDA was [♦] and that the Leverage Ratio therefore was [♦] (and should not exceed 4.00:1), always calculated in accordance with Clause 13.4 (*Calculation principles*).

Computations as to compliance with the Maintenance Test are attached hereto.¹⁴

(3) **[Incurrence Test]**

This is an Incurrence Test in respect of [*describe relevant Financial Indebtedness incurred or Restricted Payment made*] (the “**Incurrence**”). We confirm that the Incurrence Test is met and that in respect of the Incurrence Test Date, being [date].

(a) *Leverage Ratio*: The Net Interest Bearing Debt was [♦], EBITDA was [♦] and therefore the Leverage Ratio was [♦] (and should be lower than 3.50:1).

(b) no Event of Default would result from the incurrence of the Financial Indebtedness or the making of the Restmainricted Payment (as applicable),

in each case including the Incurrence on a *pro forma* basis and otherwise calculated in accordance with Clause 13.4 (*Calculation principles*).

Computations as to compliance with the Incurrence Test are attached hereto.⁵⁶

¹ To include calculations of the Maintenance Test including any adjustments pursuant to Clause 13.4 (*Calculation principles*).

⁴ This section to be used if the Compliance Certificate is delivered in connection with the delivery of a Financial Statement.

⁵ To include calculations of the Incurrence Test and any adjustments pursuant to Clause 13.4 (*Calculation principles*).

⁶ This section to be used if the Compliance Certificate is delivered in connection with an Incurrence Test.

(3) **[Lex Asea Incurrence Test**

This is Lex Asea Incurrence Test in respect of [*describe the relevant Lex Asea Distribution*] (the “**Lex Asea Incurrence**”). We confirm that the Incurrence Test is met and that in respect of the Lex Asea Incurrence Test Date, being [*date*].

(a) *Leverage Ratio*: The Net Interest Bearing Debt was [♦], EBITDA was [♦] and therefore the Leverage Ratio was [♦] (and should be equal to, or lower than, 2.50:1).

(b) no Event of Default would result from the incurrence of the Financial Indebtedness or the making of the Restricted Payment (as applicable),

in each case including the Lex Asea Incurrence on a *pro forma* basis and otherwise calculated in accordance with Clause 13.4 (*Calculation principles*).

Computations as to compliance with the Lex Asea Incurrence Test are attached hereto.⁷⁸

[We confirm that, as far as we are aware, no Event of Default is continuing.]⁹

DISTIT AB (PUBL)

Name:

Name:

⁷ To include calculations of the Lex Asea Incurrence Test and any adjustments pursuant to Clause 13.4 (*Calculation principles*).

⁸ This section to be used if the Compliance Certificate is delivered in connection with a Lex Asea Incurrence Test.

⁹ Escrow acShould be included in each Compliance Certificate. If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

We hereby certify that the above Terms and Conditions are binding upon ourselves.

Stockholm, ____ May 2021

The Issuer

DISIT AB (PUBL)

Name:

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

Stockholm, ____ May 2021

The Agent

NORDIC TRUSTEE & AGENCY AB (PUBL)

Name:

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