

*N.B. The English text is an unofficial translation.*

## Terms and conditions for convertible bonds issued by Affibody Medical AB 2021/2023

### 1. Definitions

In these terms and conditions, the following terms shall have the meanings set forth below.

**"Bank"** means any account-keeping institution that the Company from time to time has appointed to act as the Bank under these conditions;

**"banking day"** means any day in Sweden which is not a Sunday or other public holiday, and which is a day when banks in Sweden are open for normal business;

**"central securities depository account"** means an account with Euroclear for registering such financial instruments as referred to in the Swedish Financial Instruments Accounting Act (1998:1479);

**"Company"** means Affibody Medical AB, reg. no. 556714-5601;

**"conversion"** means the exchange of a convertible claim for new shares in the Company, which shares currently have a quota value of SEK 5;

**"conversion price"** means the price per share at which conversion may take place under these terms and conditions, and which initially equals the amount set forth in Section 6 and can be recalculated in accordance with Section 10;

**"convertible"** means a convertible bond issued in accordance with these terms and conditions with a right to conversion to new shares in the Company;

**"convertible claim"** means a claim with the right to conversion in accordance with Chapter 15 of the Swedish Companies Act (2005:551);

**"convertible debenture certificate"** means a certificate which is linked to a certain number of convertibles;

**"convertible holder"** means every holder of a convertible;

**"Euroclear"** means Euroclear Sweden AB or other central securities depositories according to the Swedish Financial Instruments Accounts Act (1998:1479);

**"loan"** means the nominal amount of the convertibles held by any holder of convertibles; and

**"market listing"** means trading of shares in the Company on a regulated market, multilateral trading facility or other organized trading.

**"record date for payment"** means the fifth banking day prior to the payment day of interest or loan or the banking day closer to the payment day that generally is applied at the Swedish securities market;

## **2. Loan amount, due date and interest rate**

The total loan amount is maximum SEK 101,450,000.

The nominal amount of the convertibles is SEK 1,000 or multiples thereof. The convertibles are represented by convertible debenture certificates. Convertible debenture certificates are issued to a certain person or to order.

The loan shall become due on 30 July 2023 insofar as conversion has not yet taken place.

The loan carries an annual interest rate of three (3) per cent. The interest shall become due for payment on the maturity date of the convertible, when the aggregate nominal amount for the outstanding convertibles shall be repaid in full to the extent that conversion has not yet taken place, or upon conversion.

Interest is compounded annually in arrears and shall be paid in connection with repayment of the loan on the due date.

Upon conversion, such accrued interest shall be converted together with the loan to be converted.

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

The Company hereby assumes liability for the loan and undertakes to carry out payments in accordance with these terms and conditions.

## **3. Registration, etc.**

The board of directors of the Company shall be entitled to resolve that the convertibles be registered on a central securities depository account. In the event such resolution is adopted, no convertible debenture certificates or other securities shall be issued. At the request of the Company, the convertible holders shall be obliged to surrender immediately to the Company or Euroclear all convertible debenture certificates representing convertibles and to provide the Company with the requisite details of the securities account on which the convertible holder's convertibles are to be registered.

In the event the board of directors of the Company adopts a resolution in accordance with the first paragraph above, the board of directors shall, subject to any applicable statutory or regulatory limitations, thereafter be at liberty to resolve that the convertibles are no longer to be registered on a central securities depository account.

## **4. Subordinated loan; allocation of available funds**

The loan and all amounts payable in connection with the convertibles shall, in the event of the Company's liquidation or bankruptcy, or in connection with composition, entail the right to payment from the Company's assets after the Company's non-subordinated obligations and in parallel (*pari passu*) with other subordinated obligations that are not expressly subordinated to this loan.

If both the loan amount and the interest is due for payment and the Company's available funds are not enough for full payment thereof, the funds shall primarily be used for payment of interest and secondly for payment of the loan amount.

## **5. Payment of interest and repayment of loan**

For such time as the convertible is registered on a central securities depository account, the loan and interest are disbursed by the Company via Euroclear to any party who, on the record date for payment, is recorded as a convertible holder or as otherwise entitled to receive interest and loan in the Company's central securities depository register. If a convertible holder, or a party registered in the Company's central securities depository register as entitled to receive interest and loan amounts, through an account-keeping institution has registered to have the interest and loan deposited to a designated bank account, Euroclear shall make the deposit on the due date. Otherwise Euroclear will disburse the interest and loan amount on the due date to the party concerned, at the address registered by Euroclear on the record date for payment. If the due date is on a day which is not a banking day, the interest and loan will not be deposited or disbursed until the following banking day. In the event that Euroclear, because of a delay by the Company or some other obstacle, be unable to pay the interest or loan as aforesaid, the interest or the loan should be disbursed by Euroclear as soon as the obstacle has been removed. The disbursement should be made to the convertible holder or any party registered in the Company's central securities depository register as entitled to receive interest and loan amounts as at the record date for payment.

For such time as the convertible is not registered on central securities depository account, the loan and interest shall be paid by the Company on the due date to convertible holders or such persons who are otherwise entitled to receive loan and/or interest. If the due date is on a day which is not a banking day, the interest and loan will not be deposited or disbursed until the following banking day. Where a convertible holder has specified that the loan and/or interest is to be deposited on a particular bank account, deposits shall be made on such account. In other cases, loan and/or interest shall be sent on the last-mentioned date to the convertible holder's last known address. In the event that the Company, because of a delay by the Company or some other obstacle, be unable to pay the interest or loan as aforesaid, the interest or the loan should be disbursed as soon as the obstacle has been removed.

Interest is credited only until the due date, notwithstanding that such date may be a day other than a banking day, and even if the payment is delayed by an event referred to in Section 17 below. Should the Company fail to timely provide convertible holders or such persons who are otherwise entitled to receive loan and/or interest, or, if applicable, Euroclear with funds for payment of due interest or loan on the due date, despite no obstacle referred to in Section 17 is on hand, due interest and loan shall however carry interest at the same interest rate as the loan in accordance with Section 2, from the due date until the banking day on which the funds have been provided to the convertible holder or such person who is otherwise entitled to receive loan and/or interest or, if applicable, the banking on which the funds by 10.00 am have been provided to Euroclear.

## **6. Conversion**

### **6.1 Conversion on the convertible holders' initiative**

Each convertible holder shall have the right to, during the period and in the manner stated in Section 7 below, request conversion of some or all of the convertible holder's convertibles into new shares in the Company at a conversion price of SEK 47 per share. Adjustments to the conversion price can be made in the circumstances set forth in Section 10.

Upon conversion, the number of new shares in the Company to be issued to a single holder of convertibles is established by dividing the total nominal amount of the convertibles and thereupon accrued interest, which the holder wishes to convert, with the then current conversion price. If this amount is not evenly divisible with the conversion price, surplus amounts are cancelled.

Convertible holders shall pay any tax or fee that may be imposed upon the convertible holders in connection with a transfer, possession or conversion of a convertible due to Swedish or foreign legislation or Swedish or foreign government decisions.

Any share premium shall be transferred to the unrestricted premium reserve.

### **6.2 Conversion on the Company's initiative**

The Company shall be entitled to request conversion of the whole but not part of the loan and thereupon accrued interest in the event that:

- (a) the Company has carried out a new share issue with deviation from the shareholders' pre-emption rights to subscribe for new shares to one or several parties who are not existing shareholders through which the Company has received issue proceeds of at least SEK 100,000,000; or
- (b) at least 50 per cent of the total raised loan amount relating to all of the convertibles issued by the Company during 2021 has been converted.

Otherwise, the provisions of Section 6.1 shall apply.

## **7. Request for conversion**

Convertible holders and, if applicable, the Company have the right to request conversion from the registration of these terms and conditions with the Swedish Companies Registration Office until 30 June 2023 or until such earlier date which may result from the application of Section 10 below.

The following shall apply for such time as the convertible is registered on a central securities depository account. Upon request for conversion, a completed application form in the from time to time established form must be submitted to the Company or an account-keeping institution designated by the Company in respect of registration measures.

In the event the convertible is not registered on a central securities depository account, conversion may be exercised through a written application for conversion to the Company, stating the amount to be converted. Upon conversion, the convertible holder shall, where applicable, surrender corresponding convertible debenture certificates to the Company.

A request for conversion is binding and cannot be revoked.

## **8. Execution of conversion, registration in the share register, etc.**

Conversion is executed by the Company ensuring the interim registration of the new shares on a central securities depository account. Following registration at the Swedish Companies Registration Office, the registration at the central securities depository account becomes final. As stated in Section 10 below, the date of such final registration may in certain cases be postponed.

## **9. Interest and dividends in connection with conversion**

In connection with execution of conversion, all rights to interest on converted convertibles lapse.

Shares issued as a consequence of conversion shall carry the right to dividends for the first time on the next record date for dividends which occurs after conversion is effected.

## **10. Recalculation of conversion price, etc.**

In the following situations, the following shall apply with respect to the rights which shall vest in convertible holders. Recalculation according to the provisions in this Section 10 shall under no circumstances cause the conversion price to be less than the quotient value of the Company's shares.

- A. In the event that the Company carries out a bonus issue, where conversion takes place at such time that it cannot be effected by at least the tenth calendar day prior to the general meeting at which a bonus issue resolution is to be adopted, conversion may be effected only after such general meeting has adopted a resolution thereupon. Shares issued as a consequence of conversion effected following the bonus issue resolution shall be the subject of interim registration on the central securities depository account, and accordingly shall not be entitled to participate in the bonus issue. Final registration on the central securities depository account shall take place after the record date for the bonus issue.

In the case of conversion which is effected following a bonus issue resolution, a recalculated conversion price shall be applied.

The recalculation shall be made by the Company based on the following formula:

$$\text{recalculated conversion price} = \frac{\text{previous conversion price} \times \text{number of shares prior to the bonus issue}}{\text{number of shares after the bonus issue}}$$

When recalculating the conversion price in accordance with the above formula, shares held by the Company shall be disregarded. A recalculated conversion price in accordance with the provisions above shall be determined by the Company as soon as possible after the general meeting has adopted a bonus issue resolution but, where applicable, shall be applied after the record date for the bonus issue.

- B. In the case of a reverse share split or share split in respect of existing shares in the Company, the provisions of Subsection A shall apply mutatis mutandis whereupon, where applicable, the record date shall be deemed to be the day on which a reverse share split or share split takes place at Euroclear, upon request by the Company.
- C. In the case of a new share issue – with pre-emption rights for the shareholders to subscribe for new shares in exchange for cash payment or payment by way of set-off – the following shall apply with respect to the right to participate in the new issue by virtue of shares which have been issued as a consequence of conversion:
1. Where a new issue resolution is adopted by the Company's board of directors subject to approval by the general meeting or pursuant to authorization granted by the general meeting, the resolution shall state the latest date by which conversion must be effected in order for shares which have been issued as a consequence of conversion to carry an entitlement to participate in the new issue. Such date may not be earlier than the tenth calendar day after the resolution.
  2. Where the general meeting adopts a new issue resolution, in the event a request for conversion is made at such a time that the conversion cannot be effected by at least the tenth calendar day prior to the general meeting which adopts the new issue resolution, conversion shall only be effected after the Company has established the recalculated conversion price as set forth below in this Subsection C. Shares which have been issued as a consequence of such conversion shall be registration on an interim basis on the central security depository account, and shall not give the convertible holders an entitlement to participate in the new issue. Final registration on the central securities depository account shall take place only after the record date for the new issue.

In the case of conversion which is effected at such time that there is no entitlement to participate in the issue, a recalculated conversion price shall be applied.

The recalculation shall be made by the Company based on the following formula:

$$\text{recalculated conversion price} = \frac{\text{previous conversion price} \times \text{the share's average price during the subscription period established in the resolution regarding the issue (the share's average price)}}{\text{the share's average price increased by the value of the subscription right}}$$

The share's average price shall at market listing be deemed to correspond to the average of the calculated mean values, for each trading day during the subscription period, of the highest and lowest transaction prices paid during the day in accordance with the official quotations of the marketplace or other current market quotation. In the absence of any quotation of transaction prices paid, the bid price which is quoted as the closing price shall instead be included in the calculation. Days without quotation of either transaction prices paid or bid prices shall not be included in the calculation.

The theoretical value of the subscription right shall be calculated based on the following formula:

$$\text{value of the subscription right} = \frac{\text{the maximum number of new shares which may be issued pursuant to the new issue resolution} \times (\text{the share's average price less the subscription price for the new share})}{\text{the number of shares prior to adoption of the new issue resolution}}$$

In the event a negative value is thereupon obtained, the theoretical value of the subscription right shall be set at zero.

When recalculating according to the above formula any shares held by the Company shall be disregarded.

If the Company's shares are not subject to market listing, a recalculated conversion price shall be determined in accordance with the principles of this Subsection C by the Company. The recalculation shall be based upon the principle that the value of the convertibles shall remain unchanged.

A recalculated conversion price in accordance with the provisions above shall be determined by the Company two banking days after the expiry of the subscription period and shall be applied to conversions effected thereafter.

Conversion shall, during the period pending determination of a recalculated conversion price, be effected only on a preliminary basis, whereupon the number of shares to which each convertible carries an entitlement to conversion prior to the recalculation shall be registered on an interim basis on the central securities depository account. It is specifically noted that, following recalculations, each convertible may carry an entitlement to additional shares. Final registration on the central securities depository account shall take place after the recalculation has been determined.

- D. In the case of a new share issue – with deviation from the shareholders' pre-emption rights to subscribe for new shares – at a subscription price that is lower than the conversion price, the following shall apply at conversion effected thereafter.

In the event that the Company carries out a new share issue in accordance with the above, the conversion price shall be equal to the subscription price in such share issue.

A share issue as above shall be deemed to be carried out on the day following the last payment date of the subscription price in the share issue. If the Company carries out more than one share issue as above following the registration of these terms and conditions with the Swedish Companies Registration Office, the conversion price as above shall be determined on the basis of the subscription price in the most recently carried out issue.

- E. In the case of an issue of warrants or convertible bonds with pre-emption rights for the shareholders and in exchange for cash payment or payment by way of set-off or, with respect to warrants, without payment, the provisions of Subsection C, first paragraph, subparagraphs 1 and 2 regarding the right to participate in a new issue by virtue of shares which have been issued as a consequence of conversion shall apply mutatis mutandis.

In the case of conversion which is effected at such time that there is no entitlement to participate in the issue, a recalculated conversion price shall be applied.

The recalculation shall be made by the Company based on the following formula:

$$\text{recalculated conversion price} = \frac{\text{previous conversion price} \times \text{the share's average price during the subscription period established in the resolution regarding the issue (the share's average price)}}{\text{the share's average price increased by the value of the subscription right}}$$

The share's average price shall be calculated in accordance with Subsection C above.

The subscription right's value shall in case of market listing be considered equivalent to the calculated average figure of the highest and lowest transaction prices paid on each trading day during the subscription period, in accordance with the official quotations of the marketplace or other current market quotation. In the absence of any quotation of transaction prices paid, the bid price which is quoted as the closing price shall instead be included in the calculation. Days without quotation of either transaction prices paid or bid prices shall not be included in the calculation.

If the Company's shares or subscription rights are not subject to market listing, a recalculated conversion price shall be determined in accordance with the principles of this Subsection E by the Company. The recalculation shall be based upon the principle that the value of the convertibles shall remain unchanged.

A recalculated conversion price in accordance with the provisions above, shall be determined by the Company two banking days after the expiry of the subscription period and shall be applied to conversions effected thereafter.

In conjunction with conversions which are effected during the period pending determination of a recalculated conversion price, the provisions of Subsection C, last paragraph above, shall apply mutatis mutandis.

- F. In the event that the Company, in cases other than those specified in Subsections A-E above, extends an offer to the shareholders with preferential rights pursuant to the principles set forth in Chapter 13, Section 1 of the Swedish Companies Act, to acquire securities or rights of any kind from the Company, or should the Company resolve, in accordance with the above principles, to distribute such securities or rights to the shareholders without compensation (the offer), a recalculated conversion price shall be applied if conversion is made at such time that the shares thereby received do not carry an entitlement to participate in the offer.

The recalculation shall be made by the Company based on the following formula:

$$\begin{array}{l} \text{recalculated} \\ \text{conversion} \\ \text{price} \end{array} = \begin{array}{l} \text{previous conversion price x the share's average listed price during} \\ \text{the application period established in the offer (the share's} \\ \text{average} \end{array} \begin{array}{l} \text{price)} \\ \\ \text{price)} \end{array}$$


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the share's average price increased by the value of the right to participate in the offer (the purchase right value)

The share's average price shall be calculated in accordance with Subsection C above.

In the event that the shareholders have received purchase rights and trading has taken place in such rights, the value of the right to participate in the offer shall be deemed to correspond to the purchase right value. The purchase right value shall, in this context in case of a market listing, be considered equivalent to the average of the mean value of the highest and lowest transaction prices paid each trading day during the application period, in accordance with the official quotations of the marketplace or other current market quotation. In the absence of any quotation of transaction prices paid, the bid price which is quoted as the closing price shall instead be included in the calculation. Days without quotation of either transaction prices paid or bid prices shall not be included in the calculation.

In the event that the shareholders have not received purchase rights, or trading in purchase rights has otherwise not taken place, the recalculation of the conversion price shall be made applying, as far as possible, the principles stated above in this Subsection F, whereby the following shall apply. If a market listing of the securities or the rights offered to the shareholders takes place, the value of the rights to participate in the offer is considered to be equivalent to the average of the calculated mean values, for each trading day during the 25 trading days from the first day of trading, of the highest and lowest transaction prices paid in trade with these securities or rights in accordance with the official quotations of the marketplace or other current market quotation, reduced

by any compensation paid in connection with the offer, where applicable. In the absence of any quotation of transaction prices paid, the bid price which is quoted as the closing price shall instead be included in the calculation. If neither transaction prices paid nor bid prices are quoted for one or more specific days, the calculation of the value of rights to participate in the offer shall be disregarded for such days. When the recalculated conversion price is calculated according to this paragraph, the fixed period of application in the offer shall be considered equivalent to the period mentioned above in this paragraph as 25 trading days.

In the event that a market listing of the securities or rights offered to the shareholders does not take place, the value of the rights to participate in the offer, shall, as far as possible, be determined by the change in market value in reference to the Company's shares that can be considered as having emerged as the result of the offer.

If the Company's shares are not subject to market listing, a recalculated conversion price shall be determined in accordance with the principles of this Subsection F by the Company. The recalculation shall be based upon the principle that the value of the convertibles shall remain unchanged.

A recalculated conversion price in accordance with the provisions above, shall be determined by the Company as soon as possible after the expiry of the offer period and shall be applied to conversions effected thereafter.

In conjunction with conversions which are effected during the period pending determination of a recalculated conversion price, the provisions of Subsection C, last paragraph above, shall apply *mutatis mutandis*.

- G. In the case of a new issue of shares, warrants or convertible bonds – with pre-emption rights for the shareholders, in exchange for cash payment or payment by way of set-off or, with respect to warrants, without payment – the Company may decide to grant all convertible holders the same pre-emption rights as granted to the shareholders pursuant to the resolution. Notwithstanding that conversion has not been effected, each convertible holder shall thereupon be deemed to be the owner of the number of shares which the convertible holder would have received had conversion been effected at the conversion price as applicable on the date on which the resolution regarding the issue was adopted.

In the event that the Company resolves to extend to the shareholders such an offer as referred to in Subsection F above, the provisions of the preceding paragraph shall apply *mutatis mutandis*. The number of shares which the convertible holder shall be deemed to own shall thereupon be determined based on the conversion price as applicable on the date on which the resolution regarding the offer was adopted.

In the event that the Company decides to grant the convertible holders pre-emption rights in accordance with the provisions of this Subsection G, no recalculation of the conversion price shall be made pursuant to Subsections C, E or F.

- H. In the case of a reduction of the share capital with repayment to the shareholders, a recalculated conversion price shall be applied.

The recalculation shall be carried out by the Company based on the following formula:

$$\begin{array}{l} \text{recalculated} \\ \text{conversion price} \end{array} = \frac{\begin{array}{l} \text{previous conversion price x the share's average listed price} \\ \text{during a period of 25 trading days calculated commencing the} \\ \text{day on which the shares were listed without the right to} \\ \text{participate in the repayment (the share's average price)} \end{array}}{\begin{array}{l} \text{the share's average price increased by the amount repaid per} \\ \text{share} \end{array}}$$

The share's average price shall be calculated in accordance with Subsection C above.

In making a recalculation pursuant to the above where the reduction takes place through redemption of shares, instead of using the actual amount which is repaid per share a calculated repayment amount shall be used as follows:

$$\begin{array}{l} \text{calculated} \\ \text{repayment amount} \\ \text{per share} \end{array} = \frac{\begin{array}{l} \text{the actual amount repaid per redeemed share less the share's} \\ \text{average price during a period of 25 trading days immediately} \\ \text{preceding the day on which the shares do not carry an} \\ \text{entitlement to participate in the reduction (the share's} \\ \text{average price)} \end{array}}{\begin{array}{l} \text{the number of shares in the Company which form the basis of} \\ \text{redemption of a share less 1} \end{array}}$$

The share's average price shall be calculated in accordance with Subsection C above.

The recalculated conversion price shall be determined by the Company two banking days after the expiry of the stated period of 25 trading days and shall be applied to conversions effected thereafter.

In conjunction with conversions which are effected during the period pending determination of a recalculated conversion price, the provisions of Subsection C, last paragraph above, shall apply mutatis mutandis.

If the reduction is made against consideration in the form of securities or rights of any kind, the actual amount to be repaid for each share shall be determined by the Company by applying, as far as possible, the principles for valuation of the right to participate in the offer as set out in Subsection F above.

In the event that the Company's share capital is to be reduced through redemption of shares with repayment to the shareholders and such reduction is not mandatory, or in the event the Company is to carry out a buyback of its shares, but where, in the Company's opinion, in light of the technical structure and economic effects thereof the reduction or buyback is comparable to a mandatory reduction, a recalculation of the conversion price shall be carried out applying, as far as possible, the principles set out above in this Subsection H.

If the Company's shares are not subject to market listing, a recalculated conversion price shall be determined in accordance with the principles of this Subsection H by the

Company. The recalculation shall be based upon the principle that the value of the convertibles shall remain unchanged.

- I. In the event of a cash dividend to the shareholders, which in the event conversion is requested at such time that the shares thereby received do not carry an entitlement to receive such dividend, a recalculated conversion price shall be applied.

The recalculation shall be carried out by the Company based on the following formula:

$$\begin{array}{l} \text{recalculated} \\ \text{conversion price} \end{array} = \begin{array}{l} \text{previous conversion price x the share's average listed price} \\ \text{during a period of 25 trading days calculated commencing the} \\ \text{day on which the share was listed without the right to} \\ \text{participate in the dividend (the share's average price)} \\ \hline \text{the share's average price increased by the dividend paid out} \\ \text{per share} \end{array}$$

The share's average price shall be calculated in accordance with Subsection C above.

If the Company's shares are not subject to market listing, a recalculated conversion price shall be determined in accordance with the principles of this Subsection I by the Company. The recalculation shall be based upon the principle that the value of the convertibles shall remain unchanged.

The recalculated conversion price in accordance with the above shall be determined by the Company two banking days after the expiry of the above stated period of 25 trading days and shall be applied to conversions effected thereafter.

In conjunction with conversions which are effected during the period pending determination of a recalculated conversion price, the provisions of Subsection C, last paragraph above, shall apply mutatis mutandis.

- J. In the event that the Company carries out any measure as referred to in Subsections A-F, H, I or Q and where, in the opinion of the Company, in light of the technical structure of the measure or for any other reason, application of the prescribed recalculation formula cannot take place or results in the financial compensation received by the convertible holders being unreasonable compared with the shareholders, the Company shall carry out the recalculation of the conversion price in such manner as the Company deems appropriate in order to obtain a reasonable result.
- K. In the determination of a recalculated conversion price, the conversion price shall be rounded off to SEK 0.01, and SEK 0.005 shall be rounded upwards.
- L. In the case of liquidation pursuant to Chapter 25 of the Swedish Companies Act, no further conversions may be requested regardless of the reason for liquidation. The right to request conversion lapses simultaneously with the liquidation resolution, irrespective of whether or not the resolution has become legally binding. However, in such case, the convertible holders have a right to claim immediate payment of the nominal amount of their respective convertible claims as well as interest and other amounts accrued up until the day for payment. This right commences, if the liquidation is resolved upon by

the general meeting of the shareholders, as per the day after the meeting and, otherwise, as per the day when the resolution regarding liquidation has become legally binding. Within one week of the liquidation resolution, the Company shall remind the convertible holders of their right to claim immediate payment, through a notice as described in Section 14 below.

Not later than one month prior to the general meeting takes place where the shareholders consider the issue of whether the Company shall be placed into voluntary liquidation pursuant to Chapter 25, Section 1 of the Swedish Companies Act, the convertible holders shall be given notice thereof in accordance with Section 14 below. The notice shall inform the convertible holders that they may not request conversion after the general meeting has adopted a resolution regarding liquidation.

In the event that the Company gives notice that it is considering entering into voluntary liquidation in accordance with the above, the convertible holders shall be entitled to request conversion, provided that conversion can be effected not later than the tenth calendar day prior to the date of the general meeting at which the issue of the Company's liquidation is to be addressed.

M. In the event of the Company's bankruptcy or where a decision is taken that the Company shall be the subject of a company reorganization order, requests for conversion may not be made.

N. In the event that the Company effects a change of the accounting currency, entailing that the Company's share capital shall be established in a currency other than Swedish crowns (SEK), the conversion price shall be recalculated in the same currency as the share capital and be rounded off to two decimals. Such currency recalculation shall take place applying the exchange rate which was used to recalculate the share capital in conjunction with the change in currency.

A recalculated conversion price in accordance with the provision above shall be determined by the Company and shall be applied to conversions effected on and after the day on which the change in the accounting currency takes effect.

O. In the event the general meeting approves a merger plan pursuant to Chapter 23, Section 15 of the Swedish Companies Act, whereby the Company is to be merged into another company, requests for conversion may not be made thereafter.

Notice of the proposed merger in accordance with Section 14 below must be given to the convertible holders not later than two months prior to the date on which the Company makes a final decision as to whether to approve the merger plan in accordance with the above. The notice must set forth the material terms and conditions of the proposed merger plan and inform the convertible holders that conversions may not take place once a final decision has been made regarding the merger in accordance with the provisions of the preceding paragraph.

In the event that the Company gives notice of a proposed merger in accordance with the above, the convertible holders shall be entitled to request conversion, provided that conversion can be effected not later than the tenth calendar day prior to the date of the

general meeting at which the merger plan whereby the Company is to be merged in another company is to be approved.

- P. The following shall apply if the Company's board of directors prepares a merger plan pursuant to Chapter 23, Section 28 of the Swedish Companies Act, whereby the Company is to be merged into another company.

In the event that the Company's board of directors announces its intention to prepare a merger plan pursuant to the statutory provision referred to in the preceding paragraph, in the event the final date for requesting conversion pursuant to Section 7 above falls after such announcement, the Company shall establish a new final date for requesting conversion (the expiry date). The expiry date shall be a day within 60 days of the announcement.

If an announcement has been made in accordance with what has been stated above in this Subsection P, the convertible holders shall have a right to request conversion until the expiry date. The Company shall not later than four weeks prior to the expiry date through a notice pursuant to Section 14 remind the convertible holders of such right and that a request for conversion may not be made after the expiry date.

- Q. In the event that the general meeting approves a demerger plan pursuant to Chapter 24, Section 17 of the Swedish Companies Act, whereby the Company shall be demerged through part of the Company's assets and liabilities being assumed by two or more companies, requests for conversion may not be made thereafter.

Notice of the proposed demerger in accordance with Section 14 below must be given to the convertible holders not later than two months prior to the date on which the Company makes a final decision as to whether to approve the demerger. The notice must set forth the material terms and conditions of the proposed demerger plan and inform the convertible holders that conversions may not take place once a final decision has been made regarding the demerger in accordance with the provisions of the preceding paragraph.

If the Company gives notice of a proposed demerger in accordance with the above, the convertible holders shall be entitled to request conversion, provided that conversion can be effected not later than the tenth calendar day prior to the date of the general meeting at which the demerger is to be approved.

- R. In the event a Swedish parent company, on its own or together with a subsidiary, owns more than 90 per cent of the shares in the Company, and where the parent company announces its intention to commence a buy-out procedure, the following shall apply.

In the event the parent company announces its intention to commence a buy-out procedure, the Company shall, in the event the final date for requesting conversion pursuant to Section 7 above falls after such announcement, the Company shall establish a new final date for requesting conversion (the expiry date). The expiry date shall be a day within 60 days of the announcement

If the announcement has been made in accordance with the provisions above in this Subsection R, convertible holders shall be entitled to request conversion until the expiry

date. The Company must give notice to the convertible holders in accordance with Section 14 below, not later than five weeks prior to the expiry date, informing them of this right and the fact that they may not request conversion after the expiry date.

If the majority shareholder, pursuant to Chapter 22, Section 6 of the Swedish Companies Act, has submitted a request that a buy-out dispute be resolved by arbitrators, the convertibles may not be exercised for conversion until the buy-out dispute has been settled by an award or decision that has become final. If the period within which conversion may take place expires prior thereto, or within three months thereafter, a convertible holder nevertheless has the right to exercise the convertible for conversion within three months after the date on which the ruling became final.

- S. Notwithstanding the provisions of Subsections L, M, O, P and Q that requests for conversion may not be made following a resolution regarding liquidation, bankruptcy, reorganization order or end of expiry date in case of a merger or approval of a demerger plan, the right to request conversion shall be reinstated in the event that the liquidation, bankruptcy, reorganization, merger or demerger is cancelled.

## **11. Certain undertakings by the Company**

At the time of registration of these terms and conditions with the Swedish Companies Registration Office, the Company's articles of association only allow issue of one class of shares. Amendments to the articles of association that enable the issue of other classes of shares and decisions on the issue of such other classes of shares may only be made provided that the Company has entered into an agreement with convertible holders representing the necessary majority of outstanding loan amounts in accordance with Section 15 to amend these terms and conditions by the determination of which class of shares that are covered by the conversion right.

## **12. Limitation period for receiving payments**

The right to receive payment of the loan shall lapse ten years after the due date. The right to receive interest shall lapse three years after the due date. If the right to receive payment lapses, funds allocated for lapsed payments shall vest in the Company.

If interruption of the limitation period occurs, a new limitation period of ten years with regard to the loan and three years with regard to interest shall commence, in both cases calculated from the day as set out in the Swedish Limitation Law's (1981:130) provisions regarding the effect of limitation interruption.

## **13. Trustee**

A person who, according to Chapter 5, Section 14, of the Swedish Companies Act, is authorized to act on behalf of a convertible holder shall be entitled to be registered on an account as a convertible holder. Such trustee shall be entitled to receive payments of interest and the loan that otherwise would have been disbursed to the convertible holder, and shall also otherwise be considered as a convertible holder in the application of these terms and conditions.

## **14. Notices**

Notices concerning the loan shall be given to each convertible holder and other holder of rights recorded in the Company's central securities depository register by posted letter or by e-mail, and shall be published on the Company's website. If the loan is subject to market listing, notice shall also be given to the marketplace.

## **15. Amendments to the terms and conditions**

The board of directors of the Company shall be entitled, on behalf of the convertible holders, to amend these terms and conditions to the extent that any legislation, court decision, Euroclear's or public authority decision renders necessary such amendment or where, in the board's opinion, for practical reasons it is otherwise appropriate or necessary to amend the terms and conditions, and the rights of the convertible holders are thereupon not prejudiced in any respect. Other amendments of these terms and conditions require the consent of convertible holders together representing more than 50 per cent of the from time to time outstanding loan amount under all of the convertibles issued by the Company during 2021 has been converted.

## **16. Confidentiality**

Neither the Bank, the Company nor Euroclear may, without authorization, disclose information about convertible holders to any third party. The Company shall, where relevant, be entitled to receive the following information from Euroclear relating to a convertible holder's account with the Company's central securities depository register:

- (i) the convertible holder's name, personal identification number or other identification number, and postal address;
- (ii) the number of convertibles.

## **17. Limitation of liability**

With respect to the actions and measures incumbent on the Bank, the Company and Euroclear – subject to the provisions of the Financial Instruments Accounts Act (1998:1479) – neither the Bank, the Company nor Euroclear shall be held liable for any loss or damage due to Swedish or foreign legal decrees, action by Swedish or foreign public authorities, acts of war, strikes, blockades, boycotts, lockouts or other similar circumstances. The reservation in respect of strikes, blockades, boycotts and lockouts shall apply even if the Bank, the Company or Euroclear takes or is the object of such actions.

Neither shall the Bank, the Company or Euroclear be obliged to provide compensation for loss or damage arising in other situations if the Bank, the Company or Euroclear has exercised normal prudence. The Bank, the Company and Euroclear shall under no circumstances be liable for indirect damage. If the Bank, the Company or Euroclear is hindered from making payment or taking any other action due to circumstances referred to in the first paragraph, such action may be deferred until the obstacle has ceased to exist.

## **18. Governing law and jurisdiction**

These terms and conditions and any legal issues relating thereto shall be governed by Swedish law.

Any dispute arising out of or in connection with these terms and conditions shall be finally settled by arbitration in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The seat of arbitration shall be Stockholm. The language to be used in the arbitral proceedings shall be Swedish.

Arbitrations conducted with reference to this arbitration clause are covered by confidentiality. The confidentiality applies to all information obtained during the proceedings as well as any decision or award given in the proceedings. Information covered by confidentiality may not in any form be forwarded to a third party. If the convertibles are transferred to a third party, such third party shall automatically be bound by this arbitration clause.

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