

This prospectus was approved by the Swedish Financial Supervisory Authority on 10 May 2024. 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the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.

orexo

Orexo AB (publ)

PROSPECTUS REGARDING THE ADMISSION TO TRADING OF

SEK 500,000,000

**SENIOR SECURED CALLABLE FLOATING RATE SOCIAL
BONDS**

2024/2028

ISIN: SE0021515277

10 May 2024

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by Orexo AB (publ), Swedish reg. no. 556500-0600 (“**Orexo**”, 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 for trading of the Issuer’s SEK 500,000,000 senior secured callable floating rate social bonds 2024/2028 with ISIN SE0021515277 (the “**Bonds**”), issued on 28 March 2024 (the “**Issue Date**”), in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**” and the “**Bond Issue**”, respectively), on the sustainable 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.

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 7,15 and 21 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 “**U.S. Securities Act**”), 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 such terms are defined in regulations), except for “Qualified Institutional Buyers” (QIBs) within the meaning of Rule 144A under the U.S. 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.Orexo.se).

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RISK FACTORS

*The purpose of these risk factors 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. The below risk factors are therefore limited to risks that, in the meaning of Regulation (EU) 2017/1129, are material and specific to the Orexo AB (publ) (the “**Issuer**” and together with its direct and indirect subsidiaries the “**Group**”) and the Group as well as the Bonds.*

The manner in which the Issuer and the Bonds are affected by each risk factor is illustrated by way of an evaluation of the materiality of the relevant risk factor based on the probability of it occurring and the expected magnitude of its negative impact, for the purpose of which the probability is estimated as “low”, “medium” or “high” and the magnitude of negative impact if it would occur as “low”, “medium” or “high”. The most material risk factors in a category is presented first under that category, whereas subsequent risk factors in the same category are not ranked in order of materiality.

Risk factors specific and material to the Issuer and the Group

I. Risks related to the Group’s business activities and industry

Risks related to eligibility for reimbursement and formularies

In order for the Group to maintain successful level of sales of its pharmaceuticals in general, and Zubsolv in particular, it is crucial that the pharmaceuticals have access to patients and reimbursement to the same extent as competitors. The Group’s products are eligible for reimbursement both through private and government sponsored healthcare payment system. The Group’s products are commercialised in three different payer segments; the public segment, with public sector payers such as Managed Medicaid, FFS Medicaid and Medicare Part D; the commercial segment, with private insurance company payers and the cash segment, where patients themselves finance their care. The public segment has been the fastest growing segment in the past years due to increased access to publicly financed healthcare through the Affordable Care Act, and the public segment now represents more than half of the total market volume.

The public segment is stringently controlled by insurance companies with regard to what drugs may be prescribed and which physician a patient can choose. In order to be reimbursed within the public and commercial segment the Group typically needs to have its pharmaceuticals or therapies taken up at formulary lists covering the pharmaceuticals and/or treatments that can be reimbursed within the scope of publicly financed health plans and/or insurance. Having its pharmaceuticals enlisted in the formularies consequently makes the Group’s pharmaceuticals eligible for reimbursements under such programs. The Group’s best-selling product, Zubsolv, today has 50% open formularies in the Public segment and 98% open formularies in the Commercial segment. The Group is not allowed to start formal negotiations for reimbursements with insurance companies prior to FDA approval, and there is a risk that OX124, the Group’s most recent product, will not be eligible for reimbursement, which could have an adverse effect on the Group’s ability to profit from the product, which in turn could have a material adverse effect on the Issuer’s ability to make payments under the Bonds.

The pharmaceutical market is greatly affected by political policy that may affect, for example, reimbursement levels for pharmaceutical expenses and limits for the prescription of products. Especially the market for controlled substances is under tight surveillance and control by authorities who can change the market conditions with new policies, legislation and price control tools. There is a risk that policy changes influence or restrict spending under Medicare, Medicaid or other publicly funded or subsidised health programs in the US, impose price transparency requirements as well as policies aimed at generally reducing formulary list prices and limiting pricing flexibility for pharmaceutical manufacturers. Political policy may also result in that formularies are made exclusionary for certain branded pharmaceuticals or are opened up for generic versions for cost efficacy reasons (see further risk factor “*Risks relating to price control and price pressure*”). In addition, except for price-pressure imposed by policy changes, payers may challenge the price and cost-efficacy of medical products and services. Certain

formularies or insurance companies may deploy strategies to automatically favour generics before branded pharmaceuticals, which methods could be utilised by payers to limit the use of branded products and put pressure on manufacturers to reduce net prices.

In addition, the Group is to a certain extent dependent on Pharmacy Benefit Managers (“PBM”), such as CVS Caremark and Express Script (ESI), being responsible for assessing, on behalf of insurance companies and employers, which drugs are to be covered by insurances. Even where such assessment is based on the prevailing public policy, the PBMs are constantly reviewing their formularies and historically, the Group has been subject to the risk that generics have been added to the lists whereby reimbursement have been reduced. Even if the Group only has a small volume left in exclusive contracts, there can be no assurance that the Group becomes more dependent on being on exclusionary lists in the future. This may lead to significant changes in market access in relation to the Group’s products.

There is a risk that political policy is changed or the PBMs act in a manner that the market conditions for the Group’s products are negatively affected or that sales are otherwise restricted. Furthermore, should the Group fail to have its products included in relevant formularies, or the relevant PBMs otherwise treat the Group’s products less favourably, it could lead to the Group’s products not being reimbursed. Declining reimbursement levels, due to failure to list the Group’s products in relevant formularies, policy changes, increased competition from generic substances, or otherwise, would lead to decreased revenues and impaired market access as well as reduced profitability for the Group’s products. This will in turn have an adverse negative effect on the Issuer’s business, results of operation as well as, in the longer perspective, financial position, which in turn could have a material adverse effect on the Issuer’s ability to make payments under the Bonds.

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

Risks relating to price control and price pressure

The revenues and profit margin in relation to the sales of the Group’s products depend on any pricing approvals by government authorities and the availability of payment or reimbursement from payers in the Group’s market segments (see further risk factor “*Risks related to eligibility for reimbursement and formularies*”). The outcome of pricing approval processes and the payment or reimbursement status of newly approved pharmaceutical products are inherently uncertain. Moreover, legislation and regulations affecting the pricing of pharmaceuticals may change before regulatory agencies approve the Group’s proposed products for marketing and could further limit pricing approvals for, and reimbursement of, the Group’s products from government authorities and payers. For the Issuer, the ability to close collaborations with new potential partners on the EU market will be dependent on the outcome of pricing discussions, which are ongoing with authorities in multiple European countries. A governmental or payer decision to disapprove pricing for, or provide adequate coverage and reimbursements of, the Group’s products, would limit market acceptance and commercialisation opportunities of such products, which in turn would cause revenues to decrease, and will negatively affect the Group’s business and results of operation, which in turn could have a material adverse effect on the Issuer’s ability to make payments under the Bonds.

Furthermore, increased generic presence may lead to increased price pressure. The Group’s position on the market for opioid addiction treatment market has historically seen several generics of mainly Subutex (“**Subutex**”) and Suboxone (“**Suboxone**”) tablets. For example, during 2019, the Group noted increased generic presence, as four generic versions challenging the market leading Suboxone film entered the market, which negatively affected net sales of the branded Suboxone film products. Similarly, the market for treatment of opioid use disorder has for several years been subject to significant competition from generic alternatives which has impacted the growth rate of Zubsolv negatively. There is a risk that generics come at lower list prices than the Group’s products sold under patent-protected brand names, and the Group has seen examples of campaigns from individual generic companies that have offered discounts to pharmacies which have then reduced the price in certain segments. Where generics are favoured by insurance companies in the public segment, by way of prioritising generics over branded

pharmaceuticals, it may also lead to indirect pressure on companies with new products to lower the price. As a result, increased generic presence and such potential price pressure could force the Group to lower its prices or reduce the sales volume, which may negatively affect profitability and revenues. This would in turn negatively affect the Group's results of operation and financial position, which in turn could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

Dependence on research and development of new products

Business activities involving development of pharmaceutical product candidates is a complex, risky and lengthy process and requires financial investments and other resources as well as successful research and development. As the Group is a relatively small organization, it is necessary to focus on a small number of prioritized projects with high market potential. There is a risk of failure at several stages in the process, which may be due to factors such as failure to obtain the required regulatory or marketing approvals, unfavourable clinical efficacy data, failure to reach adequate cost-efficacy and demonstrate it to relevant payers, risk of new competitors entering the market during development, as well as the risk of changes in the requirements of the regulatory authorities. Furthermore, due to the pharmaceutical industry being highly influenced by digitalization, there is a risk that the Group fails to keep pace with rapid technological development and changes in customer demand, which could result in the Group being unable to make profit on its development projects, especially within digital mental health programs.

Since the Group's business is built around the development and subsequent commercialisation of improved pharmaceuticals and digital mental health programs, the Group is dependent upon its research and development activities in order to remain profitable and to facilitate further future growth. The Group's research and development pipeline currently comprise three pharmaceutical development projects in clinical stage: OX124 (nasal naloxone), OX125 (nasal nalmefene) and OX640 (nasal epinephrine). OX124 is currently pending FDA approval and OX125 and OX640 are still subject to pivotal clinical studies prior to product approval. Should such approvals not be granted or should such studies not be successful, the launch of the products could be significantly delayed or not occur at all. The Group has made significant investments in its research and development projects over time, and may pursue additional investments going forward. For instance, the Group's research and development costs amounted to SEK 303.1 million for the financial year 2023, compared to SEK 318.0 million for the same period the previous year.¹ In order to remain profitable and to facilitate further future growth, the Group needs to continuously expand its product portfolio or improve existing products, especially upon expiration of existing product patents.

As a result, should any of the above factors lead to that the Group fails in its product development, or that the Group otherwise is unable to successfully pursue its research and development activities, it could lead to the Group being unable to profit on its investment in such area and lead to decreased future sales. This would in turn have a material adverse effect on the Group's results of operations, financial position and future prospects, which in turn could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

Commercialisation and launch of product candidates and clinical trials

The Issuer is subject to strict controls on the commercialisation processes for its pharmaceutical products, and the criteria for establishing safe, efficient and qualitative products are essential to meet in order to obtain marketing approvals. In order to obtain necessary approvals for the commercial sale of its products, the Group and its collaborating partners will need to complete clinical and pre-clinical trials to demonstrate the safety and efficacy

¹ The information is derived from the Group's audited annual and sustainability report for the financial year 2023, p. 26.

of its product candidates. Regulators may refuse to grant approval or may require additional data before approval is granted. There is also a risk of that the trial data prove that the Group's product candidates are not sufficiently safe and effective to the extent necessary to obtain necessary approvals or that regulatory policy change in such way that the trial data becomes useless or appears more unfavorable than expected.

Negative or inconclusive clinical trial data or results may force the Issuer to conduct further trials, narrow down the anticipated indication or even suspend the development of the relevant product candidate and delays in regulatory review and approval could in turn delay the Group's launch process of product candidates. This could in turn result in increased costs, significant delay in filings for approval or force the Issuer and its collaboration partners to abandon the commercialisation of the product candidate.

Should any of the above risks materialise, the Group may be unable to commercialise and profit on its product development and incur additional or unexpected costs, which in turn would decrease profit and limit the Group's access to future revenue. This would in turn have a material adverse effect on the Group's business, results of operation, financial position and future prospects as well as the Issuer's ability to make payments under the Bonds.

The launch of new products and/or initiatives always include certain uncertainties in regards to success rate, and there is a risk that new products and/or initiatives are not as favorable as anticipated at the time of launch. For example, during 2021, the Group primarily focused on digital mental health programs. This has proved to be a segment where the processes for reimbursement and distribution of products is a significant hurdle which has impaired the programs' profitability. There can be no guarantees that the launches of future products and/or initiatives will not face similar problems relating to profitability. The Group's next product launch regarding OX124 is also subject to certain commercialization risks. OX124 will compete in a market where the main competitor has become available without prescriptions (Over-The-Counter), which may impact the market for OX124. If the Group's strategic initiatives turn out less successful than expected, it could increase costs and negatively affect the Group's revenues and profitability, which in turn would have an adverse effect on the Group's results of operation and financial position. If this risk were to materialize, it could therefore have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

Competition

Many potential competitors of the Group have greater financial resources and expertise in research and development, clinical trials, obtaining regulatory approvals and marketing than the Group. The Issuer competes with several companies and institutions, including pharmaceutical companies, biotechnology companies, academic institutions and research organisations in marketing and development of drugs. Competitors may develop more efficient, more affordable or more practical products or may achieve earlier patent protection or commercialisation of their products than the Issuer. For example, since 2020, a new monthly depot formulation has entered the market for opioid addiction treatment, taking a market share corresponding to approximately 4-5% of the number of patients in the relevant market. Also, such competitors may have greater access to hospitals, physicians, patients or the medical community in general for purposes of marketing a competing product. In addition, some competitors have made attempts to settle ongoing litigations initiated by US authorities, by offering free products for treatment of opioid addiction, these settlement discussion have not made any progress, but the litigation cases are ongoing. These competing products may render the Issuer's products obsolete or may limit the ability of the Issuer to generate revenue, which could have a negative effect on the Group's business, operating results and financial position.

During 2021, the Group developed a new proprietary drug delivery platform called AmorphOX[®]. The development of products based on AmorphOX was conducted by the Issuer in partnership with other pharmaceutical companies. Whereas the new technology provides certain technological advantages, all products based on this new technology

are late to the market and competing brands have already established a well-known brand and market presence. There is a risk that the products based on AmorphOX will be unsuccessful in taking market shares from already established brands, which could have a negative effect on the Group's future profitability, which in turn could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

Dependency on personnel and key executives

The Group relies on recruiting and retaining talented and skilled employees with a diverse range of know-how, expertise and capabilities, in order to maintain growth. At the end of the financial year 2023, the Group had 116 employees.² Consequently, the Group is dependent on the ability to attract and retain highly qualified personnel within the fields of research and development, sales, and production, as well as personnel with particular expertise in clinical trials and governmental regulation. Furthermore, in order to pursue strategic objectives, the Group is dependent on its executive management.

Loss of key personnel could delay or obstruct the Issuer's research and development, sales of existing products, product manufacturing and ability to dispute intellectual property rights with third parties. The Group is a rather small organisation and has no direct internal back-up in case it loses certain key personnel within the Issuer. The Group is subject to competition in regard to recruiting and retaining personnel from other companies, universities, public and private research institutions, government entities and other organisations. Should the Group be unsuccessful in its recruitment and retention efforts, the development of the Group's products or future growth potential may be impaired, which, in the long term would negatively affect the Group's business and results of operation.

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

Dependency on third party contractors

The commercialisation rights in relation to Zubsoolv are held by the Group and Accord Healthcare, whereas the commercialisation rights in relation to several of the Group's other pharmaceuticals and therapies are held by the Group's various commercialisation partners, including, amongst others Mylan and Gesynta Pharma. The Group is therefore dependent on maintaining relevant distribution and commercialisation arrangements in order to commercialise its products. There is a risk of such commercialisation arrangements are terminated and that the Group is unable to replace such partnership in a timely manner, or at all, which could lead to lost business opportunities, delayed deliveries or increased costs, all of which could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

Furthermore, the Group relies on third party partnerships to market and distribute its products, conduct clinical trials and develop and manufacture certain products utilizing the Group's innovative drug-delivery platforms. Should such third parties fail to fulfil its contractual obligations vis-à-vis the Group, whether of financial or operational nature, fail to meet deadlines or expected levels of quality or accuracy, the Group's marketing activities and clinical trials may be extended, delayed or terminated. Any failure by such partners would negatively affect the Group's ability to develop, commercialise and license its products, which would have a negative effect on the Issuer's business, results of operations and ability to make payments under the Bonds.

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

² The information is derived from the Group's audited annual and sustainability report for the financial year 2023, p. 18.

Risks related to supply chains and production process

The entire production and packing of the Group's products is carried out by external partners. Zubsolv is manufactured by third party contractors located in the US and packed by third party contractors in the US for the US market and in Romania for the European market. The manufacturing and packing facilities as well as methods and processes must meet applicable Good Manufacturing Practice standards ("GMP") overseen by relevant authorities in several countries, including in the US, where the GMP are overseen and administered by the US Food and Drug Administration ("FDA"). The group is therefore dependent on its continuous monitoring and evaluation of the fulfilment of GMP both internally and by all strategic sub-suppliers, as the Group and its sub-suppliers may be inspected by different authorities that have the power to grant approvals. The Group's production comprises highly potent controlled substances and there are strict rules and regulations regarding manufacturing, storage, handling, freight, import and export, and waste management for such products. Failure to comply with manufacturing regulations may lead to regulatory inspection findings that could cause cessation of certain manufacturing procedures, product seizure, debarment or recalls, all of which could have a material adverse effect on the Group's business as well as lead to reputational harm.

The Issuer also relies on third parties for the timely supply of goods, such as the active pharmaceutical ingredients, equipment and packaging. Access to pharmaceutical ingredients may be uncertain and entail long delivery times, and certain goods may be difficult to substitute in a timely manner or at all. Consequently, the Group must ensure that it can gain access to any required substances at an early stage. To ensure an adequate and safe supply of Zubsolv in the US market, the Group must hold a certain inventory level raw materials, semi-finished products and finished products. Carrying a high inventory level creates a risk of depreciation of finished products or chemical compounds where the products or compounds cannot be used or sold within the estimated shelf-life of expiration time. Failure of making correct estimations and assumptions could lead to improper valuations of inventories, which could have a negative effect on the Group's valuation of assets.

OX124, OX125 and OX640, the Group's most recent products under development, are reliant on the delivery of a certain medical device which is only provided by a single supplier worldwide. The Group is dependent on maintaining requisite supplier arrangement with this supplier. The Group is thus subject to a supplier dependency risk in relation to OX124, OX125 and OX640. There is a risk that the supplier fails to uphold consistent a supply of devices to the Group, which could negatively affect the Group's ability to provide its new products. For example, there is currently a patent infringement lawsuit ongoing against the supplier of the aforementioned medical device, which could disrupt the supplier's ability to provide the required medical device if such lawsuit would fall out to the disadvantage of the supplier. There is also a risk that the supplier terminates the relation with the Group for whatever reason which could, if no replacement supplier could be engaged sufficiently fast or at all, cause disruptions in the Group's operations as well as significant impairments to the Group's ability to deliver such products once the products have been launched.

Difficulties with manufacturing and supply, forecasting, distribution or third-party suppliers may result in product shortages or excess, which would result in product sales losses and reputational harm in relation to partners and customers. This could in turn result in decreased sales and increased costs, which would adversely affect the Group's results of operation, which could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

Acquisitions

The Issuer continuously evaluates opportunities to acquire products and businesses as part of its day-to-day business activities. A successful acquisition and integration process creates increased value. The acquisition and integration of new products and business units is associated with uncertainty, for example the risk that costs related to an acquisition become higher than expected or that future results and synergy effects do not correspond with

expectations. There is also a risk that any contractual arrangements made with the sellers of such products or business units prove to be ineffective, which could cause problems or unforeseen risks following the acquisition. Moreover, transactions can lead to costs which may be significant and which may not be recovered or compensated for in the event of, for example, a transaction not being completed. Any such unforeseen events in connection with completed and uncompleted acquisitions of products and businesses could have a negative effect on the Group's business and financial position.

The Issuer considers that the probability of the above risks occurring is *low* in the short term and *medium* in the long term. If the risks would materialise, the Issuer considers the potential negative impact to be *medium*.

Risks related to intellectual property

The Group's product portfolio, and hence its assets, consist of patent-protected products and technologies. The ability to obtain and maintain patents and other intellectual property rights protecting the Group's technologies and products is therefore crucial in order to protect the value of the Group's assets. Furthermore, patent rights are typically acquired at the very start of the product development and since the research and trial phase preceding the commercial approval and launch may take significant time, there may only be a few years to earn an adequate return on investments made. As a consequence, the Group is dependent, at all stages of product development, to obtain, maintain, defend and enforce patents and other intellectual property rights to protect and recoup investment in research and development and maintain its cash flow. Defending patents can be a costly procedure and the Issuer has been involved in several disputes regarding the intellectual property rights to Zubso. For example, in November 2016 the District Court of Delaware found Zubso US patent '330 invalid, a decision which was subsequently overturned by the US Court of Appeals for the Federal Circuit. However, there is no guarantee that the Group's other patents will be upheld in similar proceedings and regardless of whether such claims are substantiated or not, there is a risk that the Group's costs of defending against third party claims will not justify maintaining the intellectual property rights or that the Group otherwise will incur significant costs to defend against such claims.

Should the Issuer fail to obtain necessary patent protection, as well as to defend and enforce its patent rights it could allow entry of generic or competitor products earlier than anticipated. This could have a material adverse effect on the pricing and sales of the Group's products and materially adversely affect revenues, which could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

Obtaining patents related to pharmaceuticals is a complex process that involves both scientific and legal expertise. Even if a patent has been granted, it may later be challenged legally, declared invalid or bypassed, which may limit the Group's ability to commercialise its new products. There is a risk that pending patent applications may not result in issued patents. Since certain patent applications are confidential until patents are issued, third parties may have filed patent applications for technology covered by the Issuer's pending applications without the Issuer being aware thereof, whereby the Issuer's patent applications may not have priority over the applications of others. There is a risk that the Group's efforts to protect its rights are insufficient and unauthorised parties may be able to obtain and use information that the Issuer regards as proprietary. Moreover, the mere issuance of a patent does not guarantee that it is valid or enforceable against third parties. The patent position of pharmaceutical or biotechnology companies, including the Issuer, is generally uncertain and comprises complex factual and legal assessments. The rules applied by patent offices in various countries for the granting of patents are not always applied in a predictable or uniform manner and may be subject to change.

The Issuer further relies on unpatented trade secrets, know-how and continuing technological innovation to develop and maintain its competitive position. The Issuer's failure to protect its trade secrets, know-how and technologies may undermine its competitive position and adversely affect the value of the Issuer's commercialised products, technologies and product candidates.

There is also a risk that the Group's own products are found to infringe patents owned or licensed by third parties, including research-based and generic pharmaceutical companies and individuals. Such third-parties may seek remedies for patent infringement, including injunctions (for example, preventing the marketing of one of the Group's products) as well as damages.

Any inability for the Group to protect and enforce its patent protection and other intellectual property rights, or any infringements of the rights of others, could result in a decrease in cash flow generated by intellectual property transferred onto partners or third parties, which, in turn, could have a negative effect on the Issuer's business operating results and financial position, all of which could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

Product safety and product liability

The Group's business of manufacturing, testing, and marketing of pharmaceuticals involves an inherent risk related to product safety and product liability claims. The ability to accurately assess, prior to launch, the expected safety or efficacy of a new product once in broader clinical use can only be based on available pre-launch data, which is inherently limited due to the relatively short periods of product testing and inherent limitations in clinical study patient samples. Safety concerns or adverse events relating to the Group's products could lead to product recalls, seizures, loss of product approvals, declining sales and interruption of supply and could materially adversely affect market and patient access and impair brand reputation. Such safety concerns or adverse events, whether due to the Group or the patient not adhering to relevant warnings for risks related to use of the Group's products, could also result in injuries or even fatalities, which could expose the Issuer to material product liability damages claims, settlements and awards, particularly in the US. Adverse publicity relating to the safety of a product or of other competing products may also itself increase the risk of further product liability claims.

Any claims directed at the Group, whether unfounded or not, could have a material adverse effect on the Group's business and financial position, and may also lead to significant reputational harm, thus jeopardizing market access and access to clinical trials.

Furthermore, there is a risk that safety risks are non-insurable in any market where the Group may operate from time to time. Moreover, any insurance that the Issuer does obtain may not provide adequate protection against potential liability or claims. Should any insurance prove inadequate to cover losses incurred by the factors described above, it could lead to unexpected losses and thereby negatively affect the Group's results of operation and financial position, which could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

II. Legal and regulatory risk

Disputes with third parties or regulatory and administrative authorities

The nature of the Group's business, including the protection of intellectual property rights and distribution of pharmaceutical products to consumers, subjects the Issuer to risks related to claims and litigation. The Group may, for example, be involved in disputes relating to product liability, consumer complaints, commercial contracts, anti-trust claims, environmental damages claims, employment related claims or tax proceedings or investigations. Litigation, particularly in the US, is inherently unpredictable and adverse outcomes of such proceedings may result in unexpectedly high awards for damages.

On 14 September 2020 the Issuer announced by way of press release that it had filed a patent infringement action in the United States District Court for the District of New Jersey against Sun Pharmaceutical Industries Limited,

Sun Pharma Global FZE, Sun Pharma Global, Inc., and Sun Pharmaceutical Industries, Inc. (collectively “Sun”). Sun seeks to market and sell generic versions of Zubsolv before the expiration of five of the Group’s patents listed in the Orange Book (drug products approved by the US Food and Drug Administration under the Federal Food, Drug, and Cosmetic Act). Whereas the district court ruled in favor of the Issuer on all accounts, the decision has been appealed by Sun and the outcome of the dispute is still uncertain but may prove costly and may result in the Group losing markets shares. This legal dispute, as well as any future legal disputes and proceedings may be time consuming, disrupt operations and come at high cost. There is a risk that certain of the Group’s competitors may be able to sustain the costs of complex patent litigation more effectively than the Group, due to having substantially greater resources. In some proceedings, the counterparties may also seek damages and other remedies, which, if imposed or charged, could cause the Group to be liable for significant amounts, which outcome may be difficult to predict. If any of the abovementioned risks materialise, it could have a materially adverse effect on the Group’s business, results of operation as well as, in turn, financial position, which could have a material adverse effect on the Issuer’s ability to make payments under the Bonds.

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

Risks related to compliance and regulatory challenges

The Group’s business operations are subject to a wide range of laws, rules and regulations from governmental and non-governmental bodies around the geographies where the Group operates. Such statutes, rules and regulations include for instance, GMP, national and international environmental and occupational health and safety laws, trade control laws, embargoes, trade and economic sanctions and anti-boycott requirements, competition laws, financial regulations including, but not limited to, external financial reporting, taxation, employment practices as well as numerous particular healthcare related US rules and regulations. In addition, changes in legislation may result in increased costs for regulatory compliance and administration costs for the Group.

If the Group fails to comply with applicable laws, rules and regulations as well as to adequately anticipate or proactively manage emerging policy and legal developments, the Issuer may be liable to pay damages or fines and/or be subject to suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and prosecution. Such failure may also adversely affect the Group’s reputation; cause harm to persons or the environment, and/or lead to significant fines or other penalties. Should any such risks materialise, it could have a material adverse effect on the Group’s business, results of operation and financial position.

On 14 July 2020 the Issuer’s US subsidiary received subpoenas for the purpose of enabling US authorities to obtain certain information in relation to sales and marketing of Zubsolv and other buprenorphine products. The background for such requests is still unclear and the Issuer is collaborating with the US authorities to ensure that the necessary information is submitted and the scope of the investigations is clarified. It cannot be ruled out that such requests may result in an indictment, material fines or demands of external review of the Group’s marketing materials and reporting-requirements to relevant authorities in the U.S or even prevention from marketing to certain customer segments in the US, all of which could result in unexpected costs or reputational damage, or that management’s attention will be diverted from the day-to-day operations. Any indebtedness arising under such fines or under any settlement arrangement in respect of legal proceedings resulting from such investigation would constitute Permitted Debt (as defined in the Terms and Conditions) under the Bonds and could amount to a substantial amount and have a material adverse long-term effect on the Group’s financial position. Furthermore, any prevention from such marketing to certain customer segments or other limitations on the Group’s marketing could have a material adverse effect on the Group’s sales. Should any aforementioned risks materialise, it could have a material adverse effect on the Issuer’s ability to make payments under the Bonds.

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

Risks related to illegal trade of pharmaceuticals

The illegal trade in pharmaceutical products is widely recognised as an increasing issue in the pharmaceutical industry. Illegal trade includes counterfeiting, theft and unauthorised use in markets where the relevant pharmaceutical is not approved. Illegally traded products entering the supply chain pose risks to public health, and the Group is expected to mitigate risks of illegal trade of its products by monitoring its supply chains. There is also a risk that the Group's products are accessed by individuals that have not obtained the adequate prescription or that otherwise shall not have access to the Group's products. Any illicit trade or use of the Group's products may cause public confidence to decline, which could adversely affect the Issuer's reputation and business. In addition, undue or misplaced concern about this issue may cause some patients to stop taking their medicines, with consequential risks to their health. There is also a direct financial loss when, for example, counterfeit or illicitly acquired products replace sales of genuine products in a market or genuine products are recalled following discovery of counterfeit products.

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

Environmental regulation

Because of the chemical ingredients used in pharmaceutical products and the nature of their manufacturing process, the pharmaceutical industry is subject to stringent environmental regulations and to the risk of incurring liability for damages or costs of remedying, decontaminating or investigating environmental problems. If the Issuer fails to comply with environmental regulations relating to the proper use, discharge or disposal of hazardous materials or otherwise fails to comply with conditions attached to operating permits, such permits could be revoked and the Issuer could be subject to criminal sanctions and incur substantial liability and costs and could thus be required to suspend or modify its operations. Should any of the abovementioned risks materialise, it could have a negative effect on the Issuer's business and reputation, which may affect its financial position negatively and ultimately could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

III. Risks related to the Group's financial situation

Macro-economic factors

The Group operates globally and is subject to political, socio-economic, financial (including foreign exchange movements) and other macroeconomic factors both globally and in individual countries. For example, the war in Ukraine and its impact on *inter alia* the inflation rates and interest rates put in place by central banks to combat such inflation is affecting business globally, and it is expected to continue to do so for some time to come in the form of reduced production rates, disrupted value and logistic chains, lower product demand, increased production costs, increased financing costs, volatility on the capital markets etc.

The pricing and the demand of pharmaceutical products may be adversely affected by a downturn in the general economy in the US and/or in the EU, as well as on other major pharmaceutical markets. An economic downturn could, among other things, put pressure on healthcare payers, including authorities, insurance companies and hospitals, resulting in a lower willingness to pay for pharmaceutical products which, together with, *inter alia*, other changes in aforementioned payers' budgets, could result in reduced reimbursement for the Group's present and potential future products. Furthermore, it may be future initiatives to curb rising pharmaceutical costs in the US and EU, as well as on other major pharmaceutical markets, which could affect future sales margins and product sales for pharmaceutical companies, including the Issuer. Such measures could result in fewer reimbursement possibilities and/or lower reimbursement levels in certain markets. Trade conflicts between the US and Europe could cause disruption to the groups supply chain and result in increased cost of manufacturing from import taxes and increased cost securing a sufficient inventory. Accordingly, deteriorated macro-economic conditions and

changes to rules regarding the pricing of pharmaceutical products could have a negative effect on the Group's results of operation and therefore its financial position and could ultimately have a material adverse effect on the Issuer's ability to make payments under the Bonds.

In addition, if the war in Ukraine and its negative impact on inter alia the general price inflation would continue or worsen, it could entail increased operating costs for the Group, including in respect of salaries and the cost of goods and services. If such risk were to materialise and the Group would be unable to implement cost savings measures to counter its increased costs or roll over such costs on its customers, it could have a material adverse effect on the Group's results and cash flow. Whereas the Group has no direct exposure to Ukraine, part of the Group's packaging take place in Romania which borders Ukraine, and is therefore be more exposed to spillover effects from the conflict itself. If any of the above risks were to materialise, it could have a material adverse effect on the Group's business and results of operations and could ultimately have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

Currency risk

The Issuer's consolidated financial statements are prepared in SEK, which thus is the reporting currency but also the functional currency of the Issuer. The earnings and financial position of Group companies that use a functional currency other than the reporting currency (SEK) are restated in SEK in the consolidated financial reports. The Issuer markets and distributes its products in countries other than Sweden, primarily in the US, and also receives license fees in currencies other than SEK. Receiving revenues and expenses in foreign currency give rise to currency transaction exposure. Furthermore, having assets in form of accounts receivable and liquid funds as well as liabilities, in form of accounts payable, in foreign currencies, results in currency translation exposure. The major part of the Group's currency risk exposure is attributable to the sale and manufacturing of Zubsolv in the US as well as royalty income in currencies other than SEK, as license agreements are primarily denominated in USD and EUR.

A weakening of the SEK against other currencies increases the Issuer's reported assets, liabilities, income and expenses, while a strengthening of the SEK against other currencies reduces these items. As of 31 December 2023, a change in the value of USD against SEK of 10 per cent. and with balance sheet exposure at such closing date would have entailed a change in other operating income and expenses of approximately SEK 8.5 million. The Issuer's financial policy permits the use of exchange-rate hedging instruments, but no such arrangements are used as at the date of this material. Major currency fluctuations between SEK and other currencies could thus have material negative effects of the Group's balance sheet, which could have an adverse effect on the Issuer's financial position and could ultimately have a material adverse effect on the Issuer's ability to make payments under the Bonds.

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

Incentive programs

The Issuer has introduced a number of share-based incentive programs with the aim of motivating and rewarding key employees through partial ownership of the Group's shares, with the aim of promoting the Issuer's long-term interests. Such programs will be paid in cash or treasury shares will be used for employees who wish to receive shares. There is a risk that such goals or targets will not be achieved resulting in employee dissatisfaction or that the incentivizing objectives do not result in increased or enhanced performance by the Group's employees. Furthermore, share-based incentive programs entail tax related risks as well as risks for breaches of regulatory requirements imposed by, for instance, relevant stock markets. There is a risk that the Issuer's assessments of applicable tax laws and other regulations are inaccurate or that the group otherwise fail to comply with any

applicable rules and regulations, which may lead to a future increased tax burden and/or fines or costs, which in turn could negatively affect the Group's results of operation and financial position and have a material adverse effect on the Issuer's ability to make payments under the Bonds.

The Issuer considers that the probability of the above risks occurring is *medium*. If the risks would materialise 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 obligations under the Bonds depends on the Group's ability to meet its payment obligations, which in turn is dependent on the Group's future financial and operating performance. The Issuer's and the Group's financial position is affected by several factors, a number of which have been discussed above. 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 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 may cause the market to charge the Bonds a higher risk premium, which would affect the Bonds' market value negatively, which in turn could affect any secondary trading in the Bonds. Another aspect of the credit risk is that a deteriorating financial position could negatively impact the Group's access to financing and thereby reduce the Group's ability to repay the Bonds at maturity, as set out below under "*Refinancing risk*".

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

Refinancing risk

The Group may be required to refinance certain or all of its outstanding debt, including the Bonds. As at 31 December 2023, the Group's net debt (*i.e* current and long-term interest-bearing liabilities including pension liabilities, less short term investments and cash and cash equivalents amounted to SEK 277.4 million.³ The Group's ability to refinance the Bonds or other debt as such obligations fall due may be restricted due to the Group's financial position at the time of such refinancing. Furthermore, according to the terms and conditions for the Bonds (the "**Terms and Conditions**"), certain additional indebtedness could only be incurred if the Issuer meets the requirements under the Incurrence Test (as defined in the Terms and Conditions), stipulating that a minimum Net interest-Bearing Debt to EBITDA level and a maximum Interest Coverage Ratio (all as defined in the Terms and Conditions). In addition, the Issuer must ensure that the Maintenance Test (as defined in the Terms and Conditions) is met as long as any Bond is outstanding, which is tested quarterly and requires the Issuer to maintain certain levels of Cash and Cash Equivalents as well as a certain ratio of Net Interest-Bearing Debt in relation to EBITDA in the US Commercial operating segment. There can be no assurance that the Issuer meets the stipulated requirements if needed in order to refinance its outstanding debt obligations.

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 can be no assurance that such funds will be available at a commercially reasonable cost, or at all and consequently, there can be no assurance that the Group will be able to refinance the Bonds when they mature.

³ The information is derived from the Group's audited annual and sustainability report for the financial year 2023, p. 28.

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

Risks related to security, structural subordination and prioritised creditors

The Issuer's obligations and liabilities towards the Bondholders under the Terms and Conditions are secured by security over the shares in the Issuer's US subsidiary Orexo US Inc. as well as any present and future Material Intragroup Loans (as defined in the Terms and Conditions) owed to the Issuer. Furthermore, Orexo US Inc. shall pursuant to the Terms and Conditions provide a guarantee in respect of the Group's obligations under the Bonds. The shares that are to be subject to security for the benefit of Bondholders may provide for only limited repayment, in part because these shares may not be liquid and/or their value to other parties may be less than their value to the Group. As a result, the Bondholders may not recover full or any value in the case of an enforcement sale of such shares to be subject to security. Furthermore, the value of any Material Intragroup Loan which is to be subject to security in favour of the secured parties is largely dependent on the relevant debtor's ability to repay such Material Intragroup Loan. Should the relevant debtor be unable to repay its debt obligations upon an enforcement of a pledge over such Material Intragroup Loan, the Bondholders may not recover the full or any value of the security granted over such Material Intragroup Loan. If the proceeds from an enforcement of security are not sufficient to repay all amounts due under or in respect of the Bonds, then the Bondholders will only have an unsecured claim against the remaining assets (if any).

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Issuer, as a shareholder, would be entitled to any payments or distributions which may ultimately be applied towards prepaying the Bonds. Thus, the Bonds are structurally subordinated to the liabilities of such subsidiaries.

Moreover, the security and guarantee are subject to limitations on financial assistance, corporate benefit, capital maintenance rules or similar restrictions under applicable law. These restrictions may give an insolvency receiver or other creditors a right to challenge or void the security and guarantees.

Risks related to incurrence of additional debt and shared security and guarantee package

Under the Terms and Conditions, the Issuer is permitted to maintain and incur *inter alia* additional debt under certain credit facilities for working capital purposes as well as certain hedging obligations, which may share the security and guarantees with the Bonds and rank super senior in respect to the Bonds in right and priority of payment in case of an enforcement of the security or guarantees under an intercreditor agreement (if entered into). Pursuant to such intercreditor agreement, any unpaid fees, costs, expenses and indemnities payable to the security agent, issuing agent, bond agent and certain other agents as well as any outstanding amount under the credit facilities and hedging obligations will rank in priority over the Bondholders. Hence, certain other secured creditors may have higher ranking right to the proceeds of an enforcement of the security or the guarantees and the Bondholders' recovery from an enforcement may therefore be substantially reduced. Furthermore, the intercreditor agreement (if entered into) will include payment block provisions, which, under certain circumstances and for certain periods of time, prohibits payment of interest and principal under the Bonds if debt ranking senior to the Bonds have been accelerated or if certain defaults have occurred under such debt. At the date hereof, there is no intercreditor agreement and consequently there may be risks regarding the terms of such potential intercreditor agreement unknown today.

Risks related to the labelling of the Bonds

The Issuer intends to use the net proceeds of the issue of the Bonds in accordance with the Issuer's social finance framework (the "**Social Finance Framework**"), which aligns with the principles and guidelines for Green, Social and Sustainability Bonds by the International Capital Markets Association ("**ICMA**"). However, there is currently no unequivocal definition of, legal or otherwise, or market consensus as to what constitutes a "social" or an equivalently-labelled project. Accordingly, there is a risk that any projects, asset or uses defined in the Social Finance Framework will not meet current or future investor expectations regarding such "social" or other

equivalently-labelled performance objectives, in particular as future developments or legal requirements as to the definitions of “social”, whether according to applicable law or regulations or by such investor’s own by-laws, other governing rules or investment portfolio mandates, may change. Should such terms be developed in the future, the Group’s sustainability eligible projects may not reflect these developments.

A failure by the Issuer to apply the net proceeds of the Bonds in accordance with the Social Finance Framework would not give the investor a right to require that the Issuer shall repurchase or redeem any of their Bonds or give any right for the holders of the Bonds to receive compensation. Further, no Event of Default under the Terms and Conditions will occur should the Bonds no longer be defined as “social” Bonds. Should the Issuer fail to apply the net proceeds in accordance with the Social Finance Framework, it could result in the value of the Bonds decreasing and there is also a risk that investors would be in breach of any investment criteria, mandates or guidelines with which an investor is required to comply with and could result in remedies under the relevant investment criteria, mandates or guidelines, which could result in investors facing, *inter alia*, claims or reputational damages due to such breach. Any part of the net proceeds from the Bonds which is not used to finance or re-finance such sustainability eligible projects will not be permitted to be applied for any other uses, which would entail that the Issuer would incur interest costs on such funds without a corresponding benefit. Should any projects which have been financed with the net proceeds from the Bonds only partially, if at all, achieve the social benefits that motivated the investments in the Bonds, the Issuer’s reputation may deteriorate and may also be in conflict with the holders’ reasons for investing in the Bonds.

The Issuer has obtained a second opinion from Sustainalytics (the “**Second Opinion**”) to confirm the transparency of the Issuer’s Social Finance Framework and its alignment with ICMA’s guidelines and principles referred to above. Sustainalytics is neither responsible for how the Social Finance Framework is implemented and followed up by investors, authorities (as applicable) or other stakeholders, nor is Sustainalytics responsible for the outcome of the investments described in the Social Finance Framework. There is a risk that the suitability or reliability of the Second Opinion is challenged by the Issuer, a potential investor, a bondholder or any third party. Furthermore, second opinion providers, such as Sustainalytics, are currently not subject to any regulatory regime or oversight and there is a risk that such providers will be deemed as not being reliable or objective in the future or that future requirements on accreditation of second opinion services providers would render the Second Opinion less credible.

The European Commission has adopted the taxonomy regulation (Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment) which entered into force in full on 1 January 2023 (the “**Taxonomy Regulation**”). The Taxonomy Regulation entails stricter requirements in terms of assessing social investments. The Taxonomy Regulation may affect the assessment of whether the Bonds are “social”, and the Issuer’s non-compliance with the requirements under the Taxonomy Regulation may cause the Bonds ceasing to be defined as “social”. Due to the rapidly changing market conditions for green and sustainable securities, there is a risk that current or future investor expectations will not be met which could negatively affect the secondary trading and value of the Bonds due to a decreased interest from investors with specific social requirements. Furthermore, should such market conditions significantly change, there is a risk that an investor of the Bonds cannot trade its Bonds at attractive terms, or at all. In addition, the Issuer may lack comprehensive and satisfactory knowledge with respect to any investment, which may result in inaccurate or incomplete reporting of the allocation and impact of the use of proceeds of the Bonds and, furthermore, there may be discrepancies between the Issuer’s assessments and investor expectations.

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. The Bonds bear a floating rate interest of STIBOR plus a certain margin and the interest rate is therefore adjusted for changes in the level of the general interest rate. Hence, there is a risk that increased general interest rate levels significantly affect the market value of the Bonds.

The determining interest rate benchmarks, such as STIBOR have 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. 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. In accordance with the Terms and Conditions, STIBOR may be replaced following certain events, e.g. if STIBOR ceases to be calculated or administrated (defined in the terms and conditions of the Bonds as a “**Base Rate Event**”). Increased or altered regulatory requirements and risks associated with any replacement of STIBOR following a Base Rate Event involve inherent risks, as the effects cannot be fully assessed at this point in time. Any upcoming replacement of STIBOR and/or other developments in relation to STIBOR could result in volatility in STIBOR and the calculation of the interest rate of the Bonds, which in turn could result in an adverse negative effect on an investment in the Bonds.

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

Currency risk

The Bonds are denominated and payable in SEK. If investors in the Bonds measure their investment return by reference to a currency other than SEK, an investment in the Bonds will entail foreign exchange-related risks. For example, possible significant changes in the value of the SEK relative to the currency by reference to which investors measure the return on their investments could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss to investors when the return on the Bonds is translated into the currency by reference to which the investors measure the return on their investments. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Bonds. As a result, there is a risk that investors may receive less interest or principal than expected, or no interest or principal at all.

The Issuer considers that the probability of the risks described above is *low*. If the effects would materialise, the Issuer considers the potential negative impact as *low*.

II. Risks related to the Bondholders’ rights and representation

Risks related to admission to trading

The Issuer has undertaken to ensure that the Bonds are listed on the sustainable bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within six months from the Issue Date (as defined in the Terms and Conditions). Furthermore, each Bondholder has a right to demand prepayment (put option) of its Bonds if the Bonds has not been admitted to trading on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days (with an intention of thirty (30) calendar days) of the Issue Date (as defined in the Terms and Conditions). There is a risk that the Bonds will not be admitted to trading on the relevant marketplace within the intended time frames or at all. If the Issuer fails to admit the Bonds to trading within sixty (60) calendar days, investors holding Bonds on an investment savings account (*Sv. ISK or IS-konto*) will no longer be able to hold the Bonds on such account, thus affecting such investor’s tax situation.

The Issuer considers that the probability of the risks described above is *low*. If the effects would materialise, the Issuer considers the potential negative impact as *high*.

Financing, structural subordination and priority rights

In the event of insolvency, liquidation or a similar event relating to one of the Issuer’s subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary 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, certain subsidiaries may result in the obligation of the Issuer

to make payments under financial or performance guarantees in respect of such subsidiaries' 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.

Furthermore, the Group may, subject to certain limitations, incur additional financial indebtedness including providing security and/or guarantees for such indebtedness. Consequently, an enforcement of material security provided under any such secured obligations would have a material negative effect on the value of the Group's assets, the Group's operations and the Bondholders' possibility to claim recovery under the Bonds. In addition, in the event of bankruptcy, restructuring or winding-up of the Issuer, the Bondholders will be subordinated in right of payment out of the assets being subject to security.

Each investor should therefore be aware that by investing in the Bonds, there is a risk that the investor loses all or part of its investment if the Issuer becomes liquidated, bankrupt, insolvent, carries out a restructuring or is wound-up.

The Issuer considers that the probability of the above risks occurring is *low*. If the risks would materialise, the Issuer considers the potential negative impact as *medium*.

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	Orexo AB (publ), Swedish reg. no. 556500-0600.
Resolutions, authorisations and approvals	The Issuer’s board of directors resolved to issue the Bonds on 7 March 2024.
The Bonds offered	SEK 500,000,000 in an aggregate principal amount of senior secured callable floating rate social bonds due 28 March 2028.
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, 400 Bonds have been issued. Only Bonds that have been issued at the date of approval of the Prospectus may be admitted to trading based on the Prospectus.
ISIN	SE0021515277.
Issue Date	28 March 2024.
Price	All Bonds issued on the Issue Date have been issued at an issue price of 100.00 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) 6.50 per cent. <i>per annum</i> , as adjusted by any application of Clause 23 (<i>Replacement of Base Rate</i>) in the Terms and Conditions. Interest will accrue from, but excluding, the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).
Use of benchmark	Interest payable for the Bonds issued under the Terms and Conditions is calculated by reference to STIBOR.
Interest Payment Dates	Quarterly in arrears on 28 March, 28 June, 28 September and 28 December each year (with the first Interest Payment Date being on 28 June 2024 and the last Interest Payment Date being the Final Redemption Date, 28 March 2028). Interest will accrue from, but excluding, the 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	28 March 2028.
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 secured 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 and without any preference among them except (A) those obligations which are mandatorily preferred by law and (B), after the entering into of the Intercreditor Agreement, the super senior ranking of the Super Senior Working Capital Facility in accordance with the Intercreditor Agreement.
Use of Proceeds	An amount equivalent to the Net Proceeds of the Bond Issue shall be applied in accordance with the principles set out in the Issuer's Social Financing Framework, including but not limited to repurchasing and/or redeeming all of the Existing Bonds and financing or refinancing acquisitions or investments permitted under the Issuer's Social Financing Framework.

Call Option

Call Option	<p>The Issuer may redeem all of the Bonds in full on any Business Day falling on or after the Issue Date (being 28 March 2024) at the applicable Call Option Amount together with accrued but unpaid Interest, in accordance with Clause 11.3 (<i>Early voluntary redemption by the Issuer (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 Make-Whole Amount if the call option is exercised on or after the Issue Date to, but not including, the First Call Date; (b) 103.25 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 Issue Date; (c) 102.275 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty (30) months after the Issue Date up to, but not including, the date falling thirty-six (36) months after the Issue Date; (d) 101.30 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty-six (36) months after the Issue Date up to, but not including, the date falling forty-two (42) months after the Issue Date; (e) 100.65 per cent. of the Nominal Amount if the call option is exercised on or after the date falling forty-two (42) months after the Issue Date up to, but not including, the date falling forty-five (45) months after the Issue Date; and (f) 100.00 per cent. the Nominal Amount if the call option is exercised on or after the date falling forty-five (45) months after the Issue Date up to (but excluding) the Final Redemption Date, <p>in each case together with accrued but unpaid Interest.</p>
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Make-Whole Amount	Make-Whole Amount means an amount equal to the sum of the present value on the relevant Record Date of:
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- (a) the Nominal Amount of the redeemed Bonds at the price equal to the Call Option Amount in effect on the First Call Date as if such payment would had taken place on the First Call Date; and
- (b) the remaining interest payments up to but not including the First Call Date, less any accrued and unpaid interest,

where the present value in respect of both (a) and (b) above shall be calculated by using a discount rate of 3.6625 per cent. *per annum*, and where the Interest Rate for the remaining interest payments in respect of (b) above shall be the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders.

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 Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (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 13.14.1 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 (other than Novo Holding A/S, Norwegian reg. no. 24257630) 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 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.

De-listing

A De-listing means a situation where, (a) the Issuer’s shares are not listed and admitted to trading on Nasdaq Stockholm or any other Regulated Market, or trading of the Issuer’s shares on any of the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive Business Days; or (b) once the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market, that the Bonds 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 situation where the Bonds issued in the Bond Issue have not been listed on the sustainable bond list of Nasdaq Stockholm (or any other Regulated Market) within sixty (60) calendar days after the 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;
- undertaking to have the Bonds admitted to trading within six (6) months after the Issue Date;
- restrictions on making any substantial changes to the general nature of the business carried out by the Group;
- restrictions in relation to incurring Financial Indebtedness and providing security or guarantees;
- undertaking to at all times meet the Maintenance Test;
- undertaking that during each calendar year, there shall be a period of five (5) calendar days during which the amount outstanding under any Working Capital Facility (or any Super Senior Working Capital Facility) shall be zero (0);
- restrictions on disposals of assets;
- restrictions on mergers and demergers; 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.

Security and guarantees

Transaction security

The Bonds are secured by first ranking security interests over the shares of Orexo US Inc., U.S. reg. no. 90-0643931, and in respect of any present and future material intragroup loans provided by the Issuer. Please refer to Clause 16 (*Transaction Security and Guarantees*) of the Terms and Conditions for further information on the transaction security.

Guarantee and Adherence Agreement

The Issuer and the Guarantor have entered into a guarantee and adherence agreement with Nordic Trustee & Agency AB (publ) as security agent dated 9 April 2024 (the “**Guarantee and Adherence Agreement**”), pursuant to which the Guarantor has agreed to unconditionally and irrevocably, jointly and severally, guarantee to each Secured Party, as represented by the Security Agent, as for its own debt (Sw. *såsom för egen skuld*) the full and punctual performance of the “Secured Obligations”, being all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Obligors to the Secured Parties under or in connection with the Finance Documents together with all costs, charges and expenses incurred by the Secured Parties in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents (or any other document evidencing or securing any such liabilities), or, if an Intercreditor Agreement has been entered into, as defined therein.

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 U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), 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, except for “Qualified Institutional Buyers” (“QIB”) within the meaning of Rule 144A under the U.S. 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 sustainable 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 14 May 2024. The total expenses of the admission to trading of the Bonds are estimated to amount to approximately SEK 150,000. 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 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 (Sw. <i>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.

Social Bonds

The Social Financing Framework dated February 2024 applies to the Bonds. The Issuer's Social Financing Framework may from time to time be subject to amendments by the Issuer. Any such amendments after the Issue Date will not be applicable to the Bonds and the Bondholders. A failure by the Issuer to apply the Net Proceeds of the Bonds in accordance with the Social Financing Framework does not give the Bondholders a right to require that the Issuer shall repurchase or redeem any of their Bonds. Further, no Event of Default under the Terms and Conditions will occur should the Bonds no longer be defined as "social" Bonds. The relevant Bondholders are in such case not entitled to early repayment or repurchase of Bonds or other compensation.

For more detailed information about the Issuer's Social Financing Framework, please visit the Issuer's website: www.Orexo.se.

The Social Financing Framework dated February 2024 has been developed to align with the International Capital Market Association's (ICMA) principles and guidelines for Green, Social and Sustainability Bonds as well as the principles for Green and Social Loans administered by the Loan Market Association (LMA), the Asia Pacific Loan Market Association (APLMA) and the Loan Syndications and Trading Association (LSTA). Sustainalytics has provided a second party opinion on the Social Financing Framework dated February 2024 verifying its credibility, impact and alignment with the ICMA and LMA principles. The Issuer has also appointed a Social Financing Committee to review the management of proceeds annually, until full allocation of the proceeds.

The Social Financing Framework dated February 2024 is adapted to the four recommended components of ICMA's Principles; (i) use of proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds and (iv) reporting. Any unallocated proceeds will temporary be placed in the liquidity reserve and managed accordingly by the Issuer.

In accordance with the Social Financing Framework dated February 2024, an amount equivalent to the net proceeds of the Bonds shall be used to finance or refinance, in whole or in part, eligible projects providing social benefits ("**Eligible Projects**"). Such projects include (i) Development, manufacturing and commercialization of OX124 and, if there is a market need, also advance OX125 a nalmefene based opioid overdose rescue medication, (ii) Collaboration projects with key stakeholders to make OUD treatment solutions available to vulnerable patients, (iii) Continued development of OX640 for treatment of life-threatening allergy reaction, (iv) Development of other projects based on the AmorphOX platform improving stability and accessibility of medications, (v) Development of OX124, including the drug delivery platform AmorphOX, establishment of a supply chain for the new technology and application of approval with the FDA. OX124 is targeting the US market with the potential to revive individuals who have got an overdose caused by potent illicit synthetic opioids, such as fentanyl, (vi) First clinical trial for OX125, high-dose rescue medication for opioid overdose with nalmefene, targeting the US market predominantly individuals and lay-people living in rural areas, (vii) First clinical trial for OX640, a nasal epinephrine rescue medication for allergic reactions, targeting a global market through partnerships, (viii) Testing of the new drug delivery platform,

AmorphOX, in multiple different molecules including large biological molecules such as vaccines, and (ix) Investment in digital mental health programs including three digital programs for the management of OUD, alcohol misuse, and depression.

The selection of Eligible Projects is managed by a dedicated group, the Social Financing Committee which is a subgroup to Orexo's sustainability committee ("OSC"). OSC is well established in Orexo and has a cross functional representation from both the headquarter in Sweden and the US organization. The team is led by Cecilia Coupland, SVP and Head of Operations and member of the Company's management team. OSC meet frequently and will assess the projects twice per year and report to the management team and board of directors.

The Issuer will annually, until full allocation and in the event of any material developments, provide investors with detailed information regarding the allocation of the net proceeds from any Social Financing Instrument, which will be publicly available on the Company's website.

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview of the Issuer

Legal and commercial name	Orexo AB (publ)
Corporate reg. no.	556500-0600
LEI-code	549300LJ5CCWDPTK9Z08
Date and place of registration	25 November 1994 with the Swedish Companies Registrations office (Sw. <i>Bolagsverket</i>)
Date of incorporation	18 November 1994
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	Municipality of Uppsala
Head office and visiting address	Rapsgatan 7E, 754 50 Uppsala, Sweden
Phone number	+(46) (0)18 780 88 00
Website	www.Orexo.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 of the Issuer and the Guarantor

History and development of the Issuer

Year	Event
1995	<ul style="list-style-type: none">The Company is founded with a vision to develop improved pharmaceuticals, fulfilling unmet patient needs. This is done by optimization of the properties of well-documented substances in combination with innovative drug delivery technologies.
2000	<ul style="list-style-type: none">The Company's first own developed product Diabact® UBT, for diagnosing of the gastric ulcer bacterium <i>Helicobacter pylori</i>, is approved in its first market.
2003	<ul style="list-style-type: none">New owners contribute with financing and several development projects are started.
2005	<ul style="list-style-type: none">The Company's shares are listed on the Nasdaq Stockholm stock exchange.
2008	<ul style="list-style-type: none">The own developed product Abstral® ("Abstral"), for treatment of breakthrough cancer, is approved in its first market.
2009	<ul style="list-style-type: none">The Company's own developed product for insomnia is approved and is today commercialized by Mylan on multiple markets.

- 2010 • The Company issues new shares and Novo Holding A/S enters as the largest shareholder. The Board of Directors reviews the strategy and creates a vision of establishing a commercial business in the US based on the Company’s proprietary products.
- 2013 • A commercial subsidiary in the US is established and ZUBSOLV® (“**Zubsolv**”), for treatment of Opioid Use Disorder, is launched in September 2013.
- 2015 • The Company divests its subsidiary Kibion, which also includes the product Diabact® UBT.
- 2016 • After three years in the US, the Company sells Zubsolv for more than SEK 480 million and more than SEK 1 000 million gross in total, thereby reaching the first full year in history with profitability.
- 2018 • The Company wins a multiyear patent battle against the generic company Teva/Actavis securing patent protection for Zubsolv in the US until 2032. The Company internalizes its sales force.
- 2019 • The Company enters a partnership with the German company GAIA AG (“**GAIA**”), a world leader within digital therapeutics, with the aim to develop a digital therapy for treatment of opioid use disorder worldwide. The partnership expands as the Company acquires the US rights for vorvida® (“**vorvida**”), a scientifically proven digital therapy for alcohol misuse including alcohol use disorder.
- 2020 • The digital portfolio continues to grow with a therapy for treatment of depression, deprexis® (“**deprexis**”), also developed by the Company’s partner GAIA and with multiple clinical trials showing its efficacy. Zubsolv US gross sales since start reached USD 1 billion.
- 2021 • The Company reveals a novel and inventive drug delivery platform, amorphOX® that can be used to develop highly differentiated products. Development of products based on amorphOX® will be conducted by Orexo or in partnership with other pharmaceutical companies.
- 2023 • The New Drug Application for OX124 has been accepted for review by the US Food and Drug Administration (“**FDA**”). OX124 is a nasal rescue medication for opioid overdose containing a high dose of naloxone and is the first product based on Orexo’s world-class drug delivery platform, amorphOX®.
- 2024 • The Company redeems in full its maximum SEK 500,000,000 senior unsecured callable floating rate bonds 2021/2025 with ISIN SE0015193958.

History and development of the Guarantor

Orexo US Inc. was incorporated and registered in the United States of America in 2013 and is a US limited liability company. It has the reg. no 90-0643931 and has its registered office in the US.

Orexo US Inc. is responsible for the commercialisation of Orexo’s products in the US. Since 2013 the commercialisation of Orexo products has mainly been focused on Zubsolv. Following FDA approval, OX124 will be the second Orexo pharmaceutical commercialized on the US market by Orexo US Inc.

Business and operations

General

Orexo is a Swedish pharmaceutical company with over 25 years of experience developing improved pharmaceuticals based on proprietary formulation technologies that meet large medical needs. On the US market, Orexo provides innovative treatment solutions for patients suffering from opioid use disorder and adjacent diseases. Products targeting other therapeutic areas are developed and commercialized worldwide with leading partners. Total net sales in 2023 amounted to SEK 639 million, and the number of employees to 116. Orexo is listed on Nasdaq Stockholm's main list and is available as an ADR on OTCQX (ORXOY) in the US.

Key markets, technology and product portfolio

The main market today is the American market for buprenorphine/naloxone products, where the Company commercializes its lead product Zubsolv for treatment of opioid use disorder in its reporting segment US Commercial.

The Company's product portfolio comprises of traditional pharma products and digital mental health programs. In the traditional pharma segment, the ability to develop new improved products through a combination of well-known and well documented substances is to use innovative in-house drug delivery technologies and the Company develops innovative technologies for both oral, sublingual and intranasal drug formulations. The Company is particularly recognised for its drug-delivery technologies within sublingual drug administration enabling efficient absorption across the sublingual mucosa (under the tongue) thereby achieving improved efficiency compared with those of competitors. The digital mental health programs are developed together with GAIA and the technology is built on the artificial intelligence (AI) software broca® and simulates interaction between the patient and an empathetic physician or therapist. The Company has expanded its operations with a new proprietary drug delivery platform called amorphOX. The development of products based on amorphOX is conducted by the Company in partnership with other pharmaceutical companies. In relation to AmorphOX, the Company has made an application for a new drug in the U.S., OX124 which is a nasal rescue medication for opioid overdose.

The Group's products are developed to provide innovative solutions to address patient need within the Group's key therapeutic area, and as at the date of this Prospectus, the product portfolio comprises of:

- Zubsolv®, a sublingual buprenorphine/naloxone pharma product targeting opioid use disorder (see further below).
- OX124, a rescue medication for opioid overdose based on a high dose naloxone powder delivered through a nasal device.
- Abstral®, is a rapidly disintegrating sublingual tablet for management of breakthrough cancer pain in patients already being treated with opioids. The product contains the pain-relieving substance fentanyl. It is commercialised by Kyowa Kirin.
- Edluar® (“**Edluar**”), for treatment of insomnia based on the Company's sublingual tablet technology and with the active substance zolpidem. It is commercialised by Mylan, worldwide.
- Deprexis®, digital therapy to manage symptoms of depression. It is in-licensed from GAIA and has been approved and launched in the US.
- Vorvida®, digital therapy for heavy alcohol use, incl. alcohol use disorder (AUD). It is in-licensed from GAIA and has been approved and launched in the US.
- Modia™ (“**Modia**”), a digital therapy for opioid use disorder (OUD). It is in-licensed from GAIA which is to be launched. The Company has global rights to the product.

Research and development

The Company has historically developed new products that are approved in markets all over the world and devotes significant resources onwards in research and development. The pipeline contains development projects with a primary focus around addiction in all phases, from prevention to treatment.

The Company currently has three pharmaceutical development projects in clinical stage, all of which are subject to authority approvals:

- OX124 (nasal naloxone), where the clinical program has been concluded and an NDA has been submitted to the FDA for approval. The NDA is currently under review with a PDUFA date set to July 15, 2024.
- OX125 (nasal nalmefene), which successfully has passed the first phase 1 study. Pivotal clinical studies will be needed before product approval, but such studies are performed in healthy volunteers and limited in scope.
- OX640 (nasal epinephrine), which successfully has passed the first phase 1 study. Pivotal clinical studies will be needed before product approval, but such studies are performed in healthy volunteers and in patients with seasonal allergies and are limited in scope.

Material agreements

Other than as set out below, 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 holders of Bonds under the Terms and Conditions.

Guarantee and Adherence Agreement

The Issuer and the Guarantor have entered into a guarantee and adherence agreement with Nordic Trustee & Agency AB (publ) as security agent dated 9 April 2024 (the "Guarantee and Adherence Agreement"), pursuant to which the Guarantor has agreed to unconditionally and irrevocably, jointly and severally, guarantee to each Secured Party, as represented by the Security Agent, as for its own debt (*Sw. såsom för egen skuld*) the full and punctual performance of the "Secured Obligations", being all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Obligors to the Secured Parties under or in connection with the Finance Documents together with all costs, charges and expenses incurred by the Secured Parties in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents (or any other document evidencing or securing any such liabilities), or, if an Intercreditor Agreement has been entered into, as defined therein.

Overview of the Group

The Company is the parent company of the Group consisting of the two directly wholly owned subsidiaries Biolipox AB and Orexo US Inc. as well as the indirectly wholly owned subsidiary Orexo Pharmaceuticals Inc. The Company is responsible for the Group's head quarter functions, research and development, corporate development, global regulatory, supply chain and group business support, whereas the US subsidiary, Orexo US Inc., is responsible for the US commercialization of Zubsolv and possesses a full commercial infrastructure.

As the revenues of the Group to a large part are derived from the subsidiaries, the Company is dependent upon dividends from such subsidiaries in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions.

Recent events particular to the Issuer

Except for the issuance of the Bonds and as set out below, 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.

On 11 April 2024, the Company redeemed in full its maximum SEK 500,000,000 senior unsecured callable floating rate bonds 2021/2025 with ISIN SE0015193958. The redemption price amounted to 100.75 percent of the total outstanding nominal amount plus accrued but unpaid interest.

Material adverse changes, significant changes and trend information

Apart from as set out under the heading “*Governmental, legal or arbitration proceedings*” below, there has been no material adverse change in the prospects of the Issuer since the end of the financial period covered in 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 interim financial information.

Apart from as set out under the heading “*Governmental, legal or arbitration proceedings*” below, 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.

Governmental, legal or arbitration proceedings

On 14 July, 2020, the Group’s US subsidiary received subpoenas for the purpose of enabling US authorities to obtain certain information in relation to sales and marketing of Zubsolv and other buprenorphine products. The Company has no knowledge of the background to the requests and is collaborating with the US authorities to ensure they receive the necessary information and to understand the scope of the investigations. The investigation concerns principally a review of certain historic marketing campaigns for Zubsolv and whether they were compliant with law. The investigation is ongoing.

As announced by way of press release on 10 August 2020, the Company received a “Paragraph IV” patent certification notice from Sun Pharmaceutical Industries Limited (“**Sun**”). The letter advised the Company of Sun’s filing of an Abbreviated New Drug Application (“**ANDA**”) with the US Food and Drug Administration (FDA) seeking approval of generic versions of Zubsolv before the expiration of the Company’s listed patents listed in the Orange Book. As a response to above notice the Company, filed a patent infringement action on 13 September 2020 in the US District Court for the District of New Jersey, against Sun. On 30 June 2023 the US District Court for the District of New Jersey ruled in favor of Orexo on all accounts. The decision has been appealed by Sun and a decision from the Federal Courts of Appeals is expected second half of 2024.

Apart from the above, 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 of the Company

According to its articles of association, the Company's share capital shall be no less than SEK 5,000,000 and not more than SEK 20,000,000 divided into no less than 12,500,000 shares and not more than 50,000,000 shares. The Company's current share capital amounts to SEK 14,221,443.599290 divided among 34,710,639 shares. The shares are denominated in SEK.

The Company's shares are publicly traded on Nasdaq Stockholm since 2005 under the short name ORX, with ISIN SE0000736415. In order to facilitate trade in the US the Company has American Depositary Receipts (ADR), under the symbol ORXOY, listed on the OTCQX market since 13 November 2013, of the OTC Markets Group Inc., which is a market for over-the-counter securities in the U.S. Such listing has been made and the ADRs are listed as ORXOY. An ADR security are traded in American dollar (USD).

The largest shareholders of the Company are set out in the table below. As of 31 March 2024, the 15 largest shareholders together hold 55.45 per cent. of the shares in the Issuer.

Shareholders	Number of shares	Votes (%)
Novo Holdings A/S	9,643,184	27.78
Avanza Pension	2,323,922	6.70
ATP, Arbetsmarkedets Tillægspension	1,780,633	5.13
Anders Walldov direct and indirect	1,600,000	4.61
Swedbank Insurance	977,143	2.82
Nordnet Pension	552,864	1.59
Stefan Hansson	445,100	1.28
Håkan Lejonkula	402,000	1.16
Orexo AB	261,044	0.75
Eccenovo AB	255,132	0.74
Christer Nyström	236,374	0.68
Handelsbanken Funds	212,585	0.61
Thomas Lundqvist	204,567	0.59
Jonas Rantanen	177,500	0.51
Consultinvest	175,819	0.51
Others	15,462,772	44.55
Total	34,710,639	100.00

The Company's corporate governance is based on applicable laws, rules and recommendations such as the Swedish Code of Corporate Governance (Sw. *svensk kod för bolagsstyrning*) (the "Code"), its articles of association and internal regulations and guidelines. To ensure that the control over the Company is not abused, the Company complies with the Swedish Companies Act and the Code.

Ownership structure of the Guarantor

The shares of Orexo US Inc. are denominated in USD. Each share carries one vote and has equal rights on distribution of income and capital. As at the date of this Prospectus, Orexo US Inc. had an issued share capital of USD 5,000,000, divided over 100 outstanding shares. Orexo US Inc. is directly wholly owned by the Company.

Shareholders' agreements

As far as the Issuer is aware, 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 of the Company currently consists of eight members.

The business address for all members of the board of directors and the senior management is the registered business address of the company: Orexo AB (publ), Box 303, SE-751 05, Uppsala, Sweden. Information on the members of the board of directors and the senior management, including significant assignments outside the Company which are relevant for the Company, is set forth below.

Board of directors

The section below presents the members of the board of directors of the Issuer and the Guarantor, their position, including the year of their initial election, their significant assignments outside the Group, which are relevant for the Issuer and the Guarantor, and their shareholdings in the Issuer as of 31 December 2023.

Members of the board of directors of the Issuer

James Noble

James has been chairman of the board of directors since 2020.

Other relevant assignments: Chairman of the Board of Pneumagen Ltd, Ingenox Therapeutics, and another private UK-based cancer research company. Board member of Lava Therapeutics.

Shareholding: Holds 51,450 shares in the Issuer, and bonds of a nominal value of SEK 2,500,000.

Staffan Lindstrand

Staffan has been a member of the board of directors since 2002.

Other relevant assignments: Partner of HealthCap since 1997, Board member of HealthCap AB, Doctrin AB, Elsa Science AB, GET.ON Institut für Online Gesundheitstrainings GmbH, and The Swedish Association of Exchange-listed companies.

Shareholding: Holds 30,843 shares in the Issuer.

Robin Evers

Robin has been a member of the board of directors since 2023.

Other relevant assignments: Senior Vice President, Head of Global Regulatory Affairs & Global Safety, Medical Writing and R&D Quality, at Novo Nordisk A/S.

Shareholding: Does not hold any shares in Orexo.

Charlotte Hansson

Charlotte has been a member of the board of directors since 2020.

Other relevant assignments: CFO at Tele 2 AB.

Shareholding: Holds 8,500 shares.

Christine Rankin

Christine has been a member of the board of directors since 2022.

Other relevant assignments: Board member of CoinShares International Ltd, Bonesupport AB and 4C Group AB.

Shareholding: Holds 5,595 shares.

Michael J Matly

Michael has been a member of the board of directors since 2022.

Other relevant assignments: Co-Founder and Managing Director at 111° West Capital.

Shareholding: Holds 5,870 shares.

Mary Pat Christie

Mary Pat has been a member of the board of directors since 2019.

Other relevant assignments: Board member of Hackensack Meridian Health's Carrier Clinic and Restaurant Technologies.

Shareholding: Holds 7,015 shares.

Fred Wilkinson

Fred has been a member of the board of directors since 2019.

Other relevant assignments: Board member of Alter Pharma Group.

Shareholding: Holds 10,200 shares.

Members of the board of directors of the Guarantor

Robert DeLuca

Robert has been a member of the board of directors since 2013.

Other relevant assignments: Member of the American Society of Addiction Medicine, Academy of Managed Care Pharmacy and the American and New Jersey Pharmacists Associations. Co-chair, SDHB PheoPara Coalition.

Shareholding: Holds 9,396 shares and stock options/share awards entitling to 268,988 shares.

Nikolaj Sørensen

Nikolaj has been a member of the board of directors since 2013.

Other relevant assignments: Member of the Board of Moberg Pharma AB and Gesynta Pharma AB.

Shareholding: Holds 156,135 shares and stock options/share awards entitling to 517,429 shares.

Executive management

The section below presents the members of the executive management of the Issuer and the Guarantor, including the year each person became a member of the executive management and their shareholdings in the Issuer as of 31 December 2023.

Members of the executive management of the Issuer

Nikolaj Sørensen

Nikolaj has been President and CEO since 2013.

Shareholding: Holds 156,135 shares and stock options/share awards entitling to 517,429 shares.

Fredrik Järsten

Fredrik has been EVP and Chief Financial Officer since 2022.

Shareholding: Holds 23,190 shares and stock options/share awards entitling to 218,966 shares.

Robert A. DeLuca

Robert has been President of Orexo US Inc. since 2013.

Shareholding: Holds 9,396 shares and stock options/share awards entitling to 268,988 shares.

Edward Kim

Edward has been Chief Medical Officer since 2022.

Shareholding: Does not hold any shares in Orexo. Owns stock options/share awards entitling to 65,600 shares.

Robert Rönn

Robert has been SVP and Head of R&D since 2019.

Shareholding: Holds 16,544 shares and stock options/share awards entitling to 208,735 shares.

Cecilia Coupland

Cecilia has been SVP and Head of Operations since 2019, employed since 2006.

Shareholding: Holds 14,390 shares stock options/share awards entitling to 192,523 shares.

Members of the executive management of the Guarantor**Robert A. DeLuca**

Robert has been President of Orexo US Inc. since 2013.

Shareholding: Holds 9,396 shares and stock options/share awards entitling to 268,988 shares.

Craig Safran

Craig has been VP Commercial Operations since 2013.

Shareholding: Does not hold any shares in Orexo.

Edward Kim

Robert has been Chief Medical Officer since 2022.

Shareholding: Does not hold any shares in Orexo. Owns stock options/share awards entitling to 65,600 shares.

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 or the Guarantor has a private interest that may be in conflict with the interests of the Issuer or the Guarantor except as described below. However and as described above, certain members of the board of directors or the executive management of the Issuer and the Guarantor have financial interests in the Issuer as a consequence of their holdings of shares and/or employee stock options in the Issuer. Notwithstanding the above, it cannot be excluded 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

Ernst & Young Aktiebolag (reg. no. 556053-5873), with Oskar Wall as the auditor in charge, has been the Company's auditor for the period covered by the historical financial information incorporated into this Prospectus by reference. Oskar Wall is a member of FAR. The business address to the Company's auditor is Hamngatan 26, SE-111 47 Stockholm, Sweden.

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

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 28 March 2024 was resolved upon by the board of directors of the Issuer on 7 March 2024.

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

ABG Sundal Collier AB and Carnegie Investment Bank AB and their 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 Carnegie Investment Bank 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.Orexo.se.

- The Issuer's articles of association.
- The Issuer's certificate of registration.
- The Guarantor's articles of association.
- The Guarantor's certificate of registration.
- The Group's consolidated audited annual report for the financial year ended 31 December 2022, including the applicable audit report.
- The Group's consolidated audited annual report for the financial year ended 31 December 2023, including the applicable audit report.

FINANCIAL INFORMATION

Historical financial information

The Group's consolidated audited annual reports for the financial years ended 31 December 2022 and 31 December 2023 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 years ended 31 December 2022 and 31 December 2023 derives from the Group's consolidated audited annual reports for the financial years ended 31 December 2022 and 31 December 2023, respectively.

Accounting standards

The financial information for the financial years ended 31 December 2022 and 31 December 2023 have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations that have been issued by IFRS Interpretations Committee ("IFRS IC") as they have been adopted by the EU. Furthermore, the Group applies the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*) and RFR 1 "Supplementary accounting rules for groups" issued by the Swedish Financial Reporting Board.

Auditing of the historical financial information

The Group's consolidated audited annual reports for the financial years ended 31 December 2022 and 31 December 2023 have been audited by Ernst & Young Aktiebolag, with Oskar Wall 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 2022 and 2023 is incorporated in this Prospectus by reference and is available at the Issuer's website, <https://orexo.se/investerare/rapporter-presentationer-och-audiocasts/#>. For particular financial figures, please refer to the pages set out below.

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TERMS AND CONDITIONS



**OREXO AB (PUBL)
SEK 500,000,000
SENIOR SECURED CALLABLE FLOATING RATE
SOCIAL BONDS
2024/2028**

ISIN: SE0021515277

Issue Date: 28 March 2024

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 (the “**U.S. Securities Act**”), 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, except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act.

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: <https://www.orexo.com/>, www.nordictrustee.com and <https://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 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 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 between the Agent and the Issuer on or prior to the Issue Date regarding, *inter alia*, the remuneration payable by the Issuer to the Agent or any replacement agency agreement entered into after the Issue Date between the Issuer and an Agent.

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

“**Base Rate**” means STIBOR or any reference rate replacing STIBOR in accordance with Clause 23 (*Replacement of Base Rate*).

“**Base Rate Administrator**” means Swedish Financial Benchmark Facility AB (SFBF) in relation to STIBOR or any person replacing it as administrator of the Base Rate.

“**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.

“**Bond Issue**” means the issuance of Bonds on the Issue Date.

“**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 20 (*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 Make-Whole Amount if the call option is exercised on or after the Issue Date to, but not including, the First Call Date;
- (b) 103.25 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 Issue Date;
- (c) 102.275 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty (30) months after the Issue Date up to, but not including, the date falling thirty-six (36) months after the Issue Date;
- (d) 101.30 per cent. of the Nominal Amount if the call option is exercised on or after the date falling thirty-six (36) months after the Issue Date up to, but not including, the date falling forty-two (42) months after the Issue Date;
- (e) 100.65 per cent. of the Nominal Amount if the call option is exercised on or after the date falling forty-two (42) months after the Issue Date up to, but not including, the date falling forty-five (45) months after the Issue Date; and
- (f) 100.00 per cent. the Nominal Amount if the call option is exercised on or after the date falling forty-five (45) months after the Issue Date up to (but excluding) the Final Redemption Date.

“**Cash and Cash Equivalents**” means cash and cash equivalents of the Group in accordance with the Accounting Principles.

“**Change of Control**” means the occurrence of an event or series of events whereby one or more Persons (other than Novo) 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 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 1 (*Form of Compliance Certificate*), unless otherwise agreed between the Agent and the Issuer.

“**Conditions Precedent for Disbursement**” means all actions and documents set forth in Clause 15 (*Conditions Precedent for Disbursement*).

“**Conditions Precedent to the Issue Date**” means all actions and documents set forth in Clause 14 (*Conditions Precedent to the Issue Date*).

“**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 each of the following:

- (a) the Issuer’s shares are not listed and admitted to trading on Nasdaq Stockholm or any other Regulated Market, or trading of the Issuer’s shares on any of the aforementioned stock exchanges is suspended for a period of fifteen (15) consecutive Business Days; or
- (b) once the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market, that the Bonds 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.

“**Derivative Transaction**” has the meaning set forth in paragraph (f) of the definition “Permitted Debt”.

“**EBITDA**” means, in respect of the Relevant Period, the consolidated profit of the Group from ordinary activities according to the latest Financial Statement:

- (a) *before deducting* any amount of tax on profits, gains or income paid or payable by any Group Company;
- (b) *before deducting* any amount of 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 (calculated on a consolidated basis);
- (c) *before taking into account* any extraordinary or exceptional items which are not in line with the ordinary course of business, in an aggregate amount not exceeding ten (10.00) per cent. of EBITDA for the Relevant Period (prior to any adjustments pursuant to this paragraph (c));
- (d) before taking into account any Transaction Costs;
- (e) *not including* any accrued interest owing to any Group Company;

- (f) *before taking into account* any unrealised gains or losses on any derivative instrument (other than any derivative instruments which is accounted for on a hedge account basis);
- (g) *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 (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (h) *after deducting* the amount of any profit (or adding back the amount of any loss) of any Group Company which is attributable to minority interests;
- (i) *after adding back or deducting*, as the case may be, the Group's share of the profits or losses of entities which are not part of the Group; and
- (j) *after adding back* any amount attributable to the amortisation, depreciation or depletion of assets of Group Companies.

"EBITDA US Commercial" means, in respect of the Relevant Period, the EBITDA of the reporting segment US Commercial, according to the latest Financial Statement, however before taking into account any extraordinary or exceptional items which are not in line with the ordinary course of business of the Group, in an aggregate amount not exceeding ten (10.00) per cent. of EBITDA of the reporting segment US Commercial according to the latest Financial Statement for the Relevant Period (prior to any adjustments for such extraordinary or exceptional items).

"Escrow Account" means the Issuer's bank account with account number 13070124143 held by the Issuer 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 on or about the 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).

"Escrow Bank" means Danske Bank A/S, Danmark, Sverige Filial (reg. no. 516401-9811).

"Event of Default" means an event or circumstance specified in Clause 17.1.

"Equity Cure" has the meaning set forth in Clause 12.2 (*Equity Cure*).

"Existing Bonds" means the Issuer's maximum SEK 1,000,000,000 senior secured callable floating rate bonds 2021/2025 with ISIN SE0015193958.

"Final Redemption Date" means 28 March 2028.

"Finance Charges" means, for the Relevant 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 Financial Statement (calculated on a consolidated basis) without taking into account any Transaction Costs, payment-in-kind interest in respect of any Subordinated Debt 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 these Terms and Conditions, the Agency Agreement, the Escrow Account Pledge Agreement, the Guarantee and Adherence Agreement, the Transaction Security Documents, the Intercreditor Agreement (if entered into) and any other document designated by the Issuer and the Agent as a Finance Document.

“Financial Indebtedness” means any indebtedness in respect of:

- (a) monies borrowed or raised, including Market Loans;
- (b) means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability;
- (c) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (d) any amount raised under any other transaction having the commercial effect of a borrowing (including any forward sale or purchase agreement);
- (e) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account);
- (f) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (g) (without double counting) any guarantee or other assurance against financial loss in respect of a type referred to in the above paragraphs (a) to (f).

“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 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 reports of the Group or the quarterly interim unaudited unconsolidated reports of the Issuer, which shall be prepared and made available according to paragraphs 13.14(a) and 13.14(b) of Clause 13.14.1 (*Information undertakings*).

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

“Force Majeure Event” has the meaning set forth in Clause 30.1.

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

“Guarantee and Adherence Agreement” means the guarantee and adherence agreement entered into or to be entered into between the Issuer, the Guarantor and the Agent pursuant to which the Secured Obligations will be guaranteed by the Guarantor.

“Guarantee” means the guarantees provided under the Guarantee and Adherence Agreement.

“**Guarantor**” means Orexo US Inc., U.S. reg. no. 90-0643931, 150 Headquarters Plaza, East Tower, Morristown, New Jersey 07960, the United States of America.

“**Hedge Counterparty**” has the meaning ascribed to it in Schedule 2 (*Intercreditor principles*).

“**Hedging Agreement**” has the meaning ascribed to it in Schedule 2 (*Intercreditor principles*).

“**Hedging Obligations**” has the meaning ascribed to it in Schedule 2 (*Intercreditor principles*).

“**Incentive Programme**” means any performance-based long-term incentive programme of the Issuer in force from time to time and as duly approved by the annual general meeting of the Issuer, under which programme participants are granted, subject to the conditions for such allotment are fulfilled, (i) performance-based share awards, and (ii) performance-based employee stock options, both entitling to conversion into ordinary shares in the Issuer.

“**Incurrence Test**” means the ratios specified in Clause 12.3 (*Incurrence Test*).

“**Intercreditor Agreement**” means any intercreditor agreement which shall be entered into upon request by the Issuer after the Issue Date, based on the terms set out in the intercreditor principles attached as Schedule 2 (*Intercreditor principles*), between the Issuer, any provider of a Super Senior Working Capital Facility, the Hedge Counterparties (if any), the Agent and any creditors under Subordinated Debt, providing for, *inter alia*, the sharing of security and guarantees, the super senior ranking of the Super Senior Working Capital Facility and complete subordination of the Subordinated Debt.

“**Interest**” means the interest on the Bonds calculated in accordance with Clause 10 (*Interest*).

“**Interest Coverage Ratio**” means the ratio of EBITDA to Net Finance Charges.

“**Interest Payment Date**” means 28 March, 28 June, 28 September and 28 December each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention (with the first Interest Payment Date on 28 June 2024 and the last Interest Payment Date being the Final Redemption Date).

“**Interest Period**” means each period beginning on (but excluding) the Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means the Base Rate plus 6.50 per cent. *per annum* as adjusted by any application of Clause 23 (*Replacement of Base Rate*).

“**Issue Date**” means 28 March 2024.

“**Issuer**” means Orexo AB (publ) (reg. no. 556500-0600, P.O. Box 303, SE-751 05, Uppsala, Sweden).

“**Issuing Agent**” ABG Sundal Collier ASA, reg. no. 883 603 362, Ruseløkkveien 26, N-0251 Oslo, Norway or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Listing Failure**” shall be deemed to have occurred if the Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm or any other Regulated Market within sixty (60) calendar days after the Issue Date.

“**Make-Whole Amount**” means an amount equal to the sum of the present value on the relevant Record Date of:

- (a) the Nominal Amount of the redeemed Bonds at the price equal to the Call Option Amount in effect on the First Call Date as if such payment would had taken place on the First Call Date; and
- (b) the remaining interest payments up to but not including the First Call Date, less any accrued and unpaid interest,

where the present value in respect of both (a) and (b) above shall be calculated by using a discount rate of 3.6625 per cent. *per annum*, and where the Interest Rate for the remaining interest payments in respect of (b) above shall be the Interest Rate in effect on the date on which notice of redemption is given to the Bondholders.

“**Maintenance Test**” means the test set out in Clause 12.1 (*Maintenance Test*).

“**Market Loan**” means any loan or other indebtedness where an entity issues commercial paper, certificates, convertibles, subordinated debentures, bonds or any other debt securities (including, for the avoidance of doubt, 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 payment and other undertakings under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents.

“**Material Group Company**” means:

- (a) the Issuer; and
- (b) a Subsidiary representing more than five (5.00) per cent. of either (i) the Total Assets (for the avoidance of doubt, excluding any intra-group transactions), or (ii) the EBITDA of the Group according to the latest consolidated Financial Statements.

“**Material Intragroup Loan**” means any intra-group loan provided by the Issuer to any Group Company where:

- (a) the term exceeds twelve (12) months; and
- (b) the principal amount, when aggregated with all other such intra-group loans with a term of at least twelve (12) months between the Issuer and the same debtor, exceeds SEK 5,000,000 (or its or its equivalent in any other currency or currencies),

provided however that no intra-group loan under any cash pool arrangements shall be (i) deemed to be a Material Intragroup Loan or (ii) aggregated with other intra-group loans for the purpose of paragraph (b) above.

“**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 Relevant Period, the Finance Charges according to the latest Financial Statements, after deducting any interest payable for that Relevant Period to any Group Company and any interest income relating to Cash and Cash Equivalents investments of the Group.

“**Net Interest Bearing Debt**” means the aggregate interest bearing debt less Cash and Cash Equivalents of the Group according to the latest Financial Statements or per the relevant testing date if measured in relation to the Incurrence Test, in accordance with the Accounting Principles (for the avoidance of doubt excluding Subordinated Debt).

“**Net Proceeds**” means the proceeds from the Bond Issue which, after deduction has been made for the Transaction Costs payable by the Issuer in respect of the Bonds Issue.

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

“**Novo**” means Novo Holding A/S (reg. no. 24257630).

“**Permitted Basket**” has the meaning set forth in paragraph (r) of the definition “Permitted Debt”.

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

- (a) incurred under the Finance Documents;
- (b) incurred under the Existing Bonds until repaid in full in accordance with Clause 4 (*Use of proceeds*);
- (c) incurred under the Incentive Programme;
- (d) 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 items (i) and (ii) are incurred in the ordinary course of such Group Company’s business;
- (e) taken up from a Group Company;
- (f) arising under a guarantee which constitutes Permitted Security;
- (g) arising under any Hedging Obligations;
- (h) 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 these 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;

- (i) 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, calculated *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;
- (j) arising under any rebate payments to be made to insurance companies in relation to the Group's sold pharmaceutical, provided that, in each case, such amount is paid to the insurance company no later than six (6) months from the pharmaceutical being sold and the end consumer receiving the pharmaceutical;
- (k) arising under any settlement arrangement in respect of any legal proceeding or under any fines, in each case resulting from the U.S. Investigation;
- (l) 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;
- (m) incurred in the ordinary course of business under Advance Purchase Agreements;
- (n) incurred by the Issuer if such Financial Indebtedness (i) meets the Incurrence Test (calculated *pro forma* including such incurrence), (ii) ranks *pari passu* with or is subordinated to the obligations of the Issuer under these Terms and Conditions and under the Agency Agreement and (iii) has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date;
- (o) incurred under any Subordinated Debt in an aggregate amount not at any time exceeding two hundred (200.00) per cent. of EBITDA US Commercial;
- (p) of the Group under any pension and tax liabilities incurred in the ordinary course of business;
- (q) incurred under a credit facility for working capital purposes, in an aggregate amount not at any time exceeding SEK 50,000,000 and incurred in the ordinary course of the Group's business (the "**Working Capital Facility**" and following the entry into of the Intercreditor Agreement, in case the relevant creditors have acceded to the Intercreditor Agreement, the "**Super Senior Working Capital Facility**"); and
- (r) not permitted by paragraphs (a) to (q) above in an aggregate amount not at any time exceeding SEK 15,000,000 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 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 Debt;

- (c) arising by operation of law or in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including guarantees or Security in respect of any monies borrowed or raised);
- (d) provided in relation to a Derivative Transaction in the form of guarantees from other Group Companies or Cash and Cash Equivalents;
- (e) provided by an entity acquired by a Group Company, provided that the debt secured or guaranteed with such Security or guarantee constitutes Permitted Debt in accordance with paragraph (h) of the definition “*Permitted Debt*”, and, if applicable, following a repayment of such debt, that the Security or guarantee is released immediately after such repayment;
- (f) 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; and
- (g) provided in relation to the Permitted Basket and not consisting of Security over shares in any Group Company.

“**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.

“**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 Issue Date); or
- (b) any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (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 18 (*Distribution of proceeds*);
- (d) the date of a Bondholders’ Meeting;
- (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 Date**” means 31 March, 30 June, 30 September and 31 December in each year.

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EC on markets in financial instruments (MiFID II), as amended).

“**Relevant Period**” means each period of twelve (12) consecutive calendar months.

“**Restricted Payment**” has the meaning set forth in Clause 13.1 (*Distributions*).

“**Secured Obligations**” means:

- (a) if the Intercreditor Agreement has not been entered into, all present and future actual and contingent obligations and liabilities of the Issuer and the Guarantor to the Secured Parties under the Finance Documents, together with all costs, charges and expenses incurred by any Secured Parties in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents (or any other document evidencing such liabilities); or
- (b) if the Intercreditor Agreement has been entered into, the meaning ascribed to that term in the Intercreditor Agreement.

“**Secured Parties**” means:

- (a) if the Intercreditor Agreement has not been entered into, the Bondholders and the Agent; or
- (b) if the Intercreditor Agreement has been entered into, the meaning ascribed to that term in the Intercreditor Agreement.

“**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.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended from time to time.

“**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**” means the lawful currency of Sweden.

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate (STIBOR) administered by the Base Rate Administrator for Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the Refinitiv screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day;
- (b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing, as displayed on page STIBOR= of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Swedish Kronor;

- (c) if no rate as described in paragraph (a) or (b) is available for the relevant Interest Period, the arithmetic mean of the Stockholm interbank offered rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by the 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 as described in paragraph (a) or (b) is available for the relevant Interest Period and no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period,

and if the STIBOR rate is below zero, STIBOR will be deemed to be zero (0).

“Social Financing Framework” means the Issuer’s social financing framework, as it is worded on the Issue Date.

“Subordinated Debt” means any loan incurred by a Group Company, if such loan:

- (a) pursuant to its terms, the Intercreditor Agreement and/or another intercreditor agreement or subordination agreement entered into with the Agent, is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date; and
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Redemption Date.

“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 fifty (50.00) per cent. of the total number of votes held by the owners;
- (b) otherwise controls more than fifty (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.

“Super Senior Working Capital Facility” has the meaning set forth in paragraph (q) of the definition “Permitted Debt”

“Total Assets” means the aggregate book value of the Group’s total assets on a consolidated basis according to the latest Financial Statements.

“Transaction Costs” means all fees, costs and expenses incurred by a Group Company (including any fees payable by the Issuer to the joint bookrunners for the services provided in relation to the placement and issuance of the Bonds) in connection with:

- (a) the Bond Issue;

- (b) the repayment of the Existing Bonds; and
- (c) the admission to trading of the Bonds on the relevant Regulated Market.

“**Transaction Security**” means:

- (a) security in respect of all shares in the Guarantor;
- (b) security in respect of any present and future Material Intragroup Loans; and
- (c) security over the Escrow Account.

“**Transaction Security Documents**” means the security documents entered into between the relevant Group Companies and the Agent (acting on its own behalf and in its capacity as Agent and security agent representing the Bondholders) pursuant to which the Transaction Security is created and granted in favour of the Agent and the Secured Parties (represented by the security agent).

“**U.S. Investigation**” means the ongoing investigation by U.S. authorities in respect of the marketing of certain buprenorphine products in the United States, which was disclosed in the Group’s consolidated interim report for the interim period ended on 30 June 2020.

“**Working Capital Facility**” has the meaning set forth in paragraph (q) of the definition “Permitted Debt”.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 21 (*Written Procedure*).

1.2 Construction

- (a) Unless a contrary indication appears, any reference in these Terms and Conditions to:
 - (i) “**assets**” includes present and future properties, revenues and rights of every description;
 - (ii) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
 - (iii) a “**regulation**” includes any law, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
 - (iv) a provision of regulation is a reference to that provision as amended or re-enacted; and
 - (v) a time of day is a reference to Stockholm time.
- (b) An Event of Default is continuing if it has not been remedied or waived.
- (c) When ascertaining whether a limit or threshold specified in SEK has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against 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.

- (d) 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.
- (e) 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.
- (f) 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. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

- 2.1 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.
- 2.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to the Finance Documents and by acquiring Bonds each subsequent Bondholder confirms such agreements.
- 2.3 The aggregate amount of the bond loan will be an amount of SEK 500,000,000, which will be represented by Bonds, each at the nominal amount of SEK 1,250,000 (the “**Nominal Amount**”), or full multiples thereof. All Bonds issued in the Bond Issue are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 2.4 The ISIN for the Bonds is SE0021515277.
- 2.5 The minimum permissible investment in connection with the Bond Issue is SEK 1,250,000, and integral multiples thereof.

3. STATUS OF THE BONDS

The Bonds constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and without any preference among them except (A) those obligations which are mandatorily preferred by law and (B), after the entering into of the Intercreditor Agreement, the super senior ranking of the Super Senior Working Capital Facility in accordance with the Intercreditor Agreement.

4. USE OF PROCEEDS

An amount equivalent to the Net Proceeds of the Bond Issue shall be applied in accordance with the principles set out in the Issuer’s Social Financing Framework, including but not limited to repurchasing and/or redeeming all of the Existing Bonds and financing or refinancing acquisitions or investments permitted under the Issuer’s Social Financing Framework.

5. ESCROW OF PROCEEDS

- 5.1 The Net Proceeds from the Bond Issue shall be deposited on the Escrow Account for application in accordance with Clause 4 (*Use of proceeds*). Prior to the transfer of Net Proceeds to the Escrow Account, the Escrow Account shall be pledged in favour of the Agent and the Bondholders (represented by the Agent).
- 5.2 If the conditions precedent set out in Clause 15 (*Conditions precedent for disbursement*) have not been fulfilled within sixty (60) Business Days from the Issue Date, the Issuer shall redeem all Bonds at one hundred (100.00) per cent. of the Nominal Amount together with any accrued but unpaid interest (a “**Mandatory Total Redemption**”). The Mandatory Total Redemption shall fall no later than thirty (30) calendar days after the ending of the sixty (60) Business Day period referred to above. The Net Proceeds held on the Escrow Account or, if the conditions precedent set out in Clause 14 (*Conditions precedent to the Issue Date*) have not been fulfilled, by the Issuing Agent, shall in such case be applied to redeem the Bonds on behalf of the Issuer. Any shortfall shall be covered by the Issuer.
- 5.3 A Mandatory Total Redemption shall be made by the Issuer giving notice to the Bondholders and the Agent promptly following the date when the Mandatory Total Redemption is triggered pursuant to Clause 5.2 above. Any such notice shall state the Redemption Date and the relevant Record Date.

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 the Finance Documents 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.
- 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 Regulations) shall be entitled to obtain information from the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent.
- 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 kept by the CSD in respect of the Bonds. If the Agent does not otherwise obtain information from such debt register as contemplated under these Terms and Conditions, the Issuing Agent shall at the request of the Agent obtain information from the debt register and provide it to the Agent.
- 7.5 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register kept by the CSD in respect of the Bonds. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 7.6 At the request of the Agent, the Issuer shall promptly obtain information from the debt register kept by the CSD and provide it to the Agent.
- 7.7 The Issuer (and the Agent when permitted under the CSD 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 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 (including the owner of a Bond, if such person is not the Bondholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Bondholder or a successive, coherent chain of powers of attorney or authorisations starting with the Bondholder and authorising 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. If a bank account has not been registered on the applicable Record Date for the relevant payment, no payment will be effected by the CSD to such Bondholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Bondholder on the relevant Record Date has made a valid request for such amount. 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 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 (*Payments in respect of the Bonds*), 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) has actual knowledge of the fact that the payment was 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 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 Bonds issued in the Bond Issue will bear Interest at the Interest Rate applied to the Nominal Amount from, but excluding, the Issue 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 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 under the Finance Documents on its due date, default interest shall accrue on the overdue amount from, but excluding, the due date up to and including the date of actual payment at a rate which is two hundred (200) basis points higher than the Interest Rate. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

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 Regulations occur on the Business Day following from an application of the Business Day Convention or, if not permitted under the CSD 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 redemption by the Issuer (call option)

- 11.3.1 The Issuer may redeem all, but not only some, of the Bonds in full on any Business Day up to (but excluding) the Final Redemption Date. Each Bonds shall be redeemed at the applicable Call Option Amount together with accrued but unpaid Interest.
- 11.3.2 The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.
- 11.3.3 Redemption in accordance with Clauses 11.3.1 shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Bondholders and the Agent, in each case calculated from the effective date of the notice. The notice from the Issuer shall specify the Redemption Date and the relevant Record Date. The notice is irrevocable but may, at the Issuer's discretion,

contain one or more conditions precedent that shall be satisfied 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, De-listing or Listing Failure (put option)

11.4.1 Upon the occurrence of a Change of Control, De-listing or 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 one hundred and one (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 Clause 13.14.1(g). 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 Clause 13.14.1(g) 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 Clause 13.14.1(g). 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, a De-listing or a Listing Failure 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.

11.5 Early voluntary total redemption due to illegality (call option)

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

- 11.5.2 The applicability of Clause 11.5.1 shall be supported by a legal opinion issued by a reputable law firm.
- 11.5.3 The Issuer may give notice of redemption pursuant to Clause 11.5.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

12. FINANCIAL UNDERTAKINGS

12.1 Maintenance Test

12.1.1 The Issuer shall procure that:

- (a) Cash and Cash Equivalents of the Group at all times is at least SEK 75,000,000; and
- (b) the ratio of Net Interest Bearing Debt to EBITDA US Commercial is less than:
 - (i) 3.00:1, if the Maintenance Test is made in respect of a Reference Date falling on or before 31 December 2025;
 - (ii) 2.50:1, if the Maintenance Test is made in respect of a Reference Date falling from and including 31 March 2026 to and including 31 December 2026; and
 - (iii) 2.00:1, if the Maintenance Test is made in respect of a Reference Date falling from and including 31 March 2027 up until the Final Redemption Date.

12.1.2 The Maintenance Test shall be tested quarterly on the basis of the interim report for the period covered by the relevant Reference Date on the basis of the Compliance Certificate delivered in connection therewith. The first test date for the Maintenance Test shall be 31 March 2024 (provided for the avoidance of doubt that the Existing Bonds shall not be included in relation to such first test date).

12.2 Equity Cure

12.2.1 If, within sixty (60) calendar days of the delivery of a Compliance Certificate, evidencing a breach of the Maintenance Test in Clause 12.1.1, 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**”) (an “**Equity Cure**”), no Event of Default will occur.

12.2.2 Upon receipt of the Cure Amount, the calculation of (i) of Clause 12.1.1(a) shall, for the purpose of Clause 12.1.1(a) only, be adjusted by increasing the Cash and Cash Equivalents of the Group by an amount equal to the Cure Amount and (ii) paragraph 12.1(b) of Clause 12.1.1 shall, for the purpose of paragraph 12.1(b) of Clause 12.1.1 only, be adjusted by increasing EBITDA US Commercial by an amount equal to the Cure Amount. Any Equity Cure made in any calendar quarter shall be included until such time as that calendar quarter falls outside the Relevant 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.

12.3 **Incurrence Test**

12.3.1 The Incurrence Test is met if:

- (a) the ratio of Net Interest Bearing Debt to EBITDA is not greater than 2.00:1; and
- (b) the Interest Coverage Ratio exceeds four 4.00:1,

both adjusted in accordance with Clauses 12.4 to 12.5 below.

12.3.2 The Incurrence Test shall be applied in connection with:

- (a) the incurrence of Financial Indebtedness; or
- (b) a Restricted Payment being made,

in each case which requires that the Incurrence Test is met, until and including the Final Redemption Date.

12.4 **Calculation of the Incurrence Test**

12.4.1 The calculation of the ratio of Net Interest Bearing Debt to EBITDA shall be made as per a testing date determined by the Issuer, falling no more than one (1) month prior to the incurrence of the new Financial Indebtedness or the payment of the relevant Restricted Payment (as applicable) which requires the Issuer to meet the Incurrence Test.

12.4.2 The Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but (i) include the Restricted Payment or the new Financial Indebtedness (as applicable), provided such Financial Indebtedness is an interest bearing obligation (however, any cash balance resulting from the incurrence of the new Financial Indebtedness shall not reduce the Net Interest Bearing Debt), and (ii) exclude any Financial Indebtedness refinanced with new Financial Indebtedness, *pro forma*.

12.4.3 The calculation of the Interest Coverage Ratio shall be made for the Relevant Period ending on the last day of the period covered by the most recent Financial Statement.

12.5 **Adjustment to EBITDA**

The figures for EBITDA, Finance Charges and Net Finance Charges for the Relevant Period ending on the last day of the period covered by the most recent Financial Statement shall be used for the Incurrence Test, but adjusted so that:

- (a) entities acquired or disposed of by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), *pro forma*, for the entire Relevant Period;
- (b) any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, *pro forma*, for the entire Relevant Period; and
- (c) the *pro forma* calculation of EBITDA takes 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 (a) and (b) above, provided that:
 - (i) the aggregate of such adjustments to EBITDA in respect of certain extraordinary or exceptional items made pursuant to paragraph (c) in the

definition of “EBITDA” do not exceed an aggregate maximum amount of ten (10.00) per cent. of EBITDA for the relevant period; and

- (ii) (isuch net cost savings and other reasonable synergies, as the case may be, have been confirmed by a reputable accounting firm and the Issuer has provided evidence thereof to the Agent.

12.6 **Cost allocation**

12.6.1 The Issuer shall ensure that the cost allocation between the Issuer and any other present or future member of the Group within the context of the operating segment “US Commercial” in the Group’s Financial Statements in all material respects follows the same principles for cost allocation between the Issuer and the other members of the Group that was applied within the context of the operating segment “US Pharma” in the Group’s latest Financial Statement before the Issue Date.

12.6.2 Once during the period between the publication of the first Financial Statements of the Group following the Issue Date and the Final Redemption Date, the Agent shall upon the request of bondholders representing at least twenty (20.00) per cent. of the outstanding Nominal Amount be permitted to engage, at the reasonable cost and expense of the Issuer, an independent reputable accounting firm to assess and confirm the Issuer’s compliance with the above.

13. **SPECIAL UNDERTAKINGS**

So long as any Bond remains outstanding, the Issuer undertakes to (and shall, where applicable, procure that each other Group Company will) comply with the special undertakings set forth in this Clause 13.

13.1 **Distributions**

The Issuer shall not, and shall procure that none of the Subsidiaries:

- (a) pay any dividend on shares;
- (b) repurchase any of its own shares (other than in connection with the Incentive Programme);
- (c) redeem its share capital or other restricted equity with repayment to shareholders;
- (d) repay principal or pay interest under any shareholder loans or any Subordinated Debt; or
- (e) make any other similar distribution 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;

(items (a) to (e) above are together and individually referred to as a “**Restricted Payment**”), provided however that any such Restricted Payment can 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 if such Restricted Payment is made to another Group Company and, if made by any of the Subsidiaries which is not directly or

indirectly wholly-owned by the Issuer, is made on a *pro rata* basis or in a larger proportion to the Group; or

- (ii) by 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.

13.2 **Admission to trading**

The Issuer shall procure that, without prejudice to the rights of any Bondholder pursuant to Clause 11.4 (*Mandatory repurchase due to Change of Control, De-listing and Listing Failure*) that the Bonds issued under the Bond Issue are admitted to trading on the sustainable bond list of Nasdaq Stockholm, or if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market within six (6) months after the Issue Date (with an intention to complete the admission to trading within thirty (30) days of the Issue Date).

13.3 **Nature of business**

The Issuer shall procure that no substantial change is made to the general nature of the business as carried out by the Group on the Issue Date.

13.4 **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 Debt.

13.5 **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) including, for the avoidance of doubt, any patents of the Group, 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.

13.6 **Loans out**

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

13.7 **Clean down period**

The Issuer shall procure that during each calendar year, there shall be a period of five (5) consecutive calendar days during which the amount outstanding under any Working Capital Facility (or following entry into of the Intercreditor Agreement, any Super Senior Working

Capital Facility) shall be zero (0). Not less than three (3) months shall elapse between two (2) clean down periods.

13.8 **Disposals of assets**

Subject to the terms of the Intercreditor Agreement (if entered into) and the terms of the Transaction Security Documents, the Issuer shall not, and shall procure that no Material Group Company, 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 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. The Issuer shall notify the Agent of any such transaction and, upon request by the Agent, provide the Agent with any information relating to the transaction which the Agent deems necessary (acting reasonably).

13.9 **Maintenance Test**

The Issuer shall ensure that the Maintenance Test is met as long as any Bond is outstanding.

13.10 **Dealings with related parties**

The Issuer shall, and shall procure 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.

13.11 **Compliance with laws etcetera**

The Issuer shall, and shall procure that the Subsidiaries will:

- (a) 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 (when applicable) or any other Regulated Market or unregulated market (when applicable) on which the Issuer's securities from time to time are listed, and
- (b) obtain, maintain, renew 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.

13.12 **Merger and demergers**

Subject to the terms of the Intercreditor Agreement (if entered into) and the terms of the Transaction Security Documents, the Issuer:

- (a) shall not enter into any amalgamation, demerger, merger or formal reconstruction (Sw. *rekonstruktion*), save for any merger where the Issuer is the surviving entity.
- (b) shall 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, provided however that the transferee Group Company shall immediately in connection with the merger be or become a

accede to the Guarantee and Adherence Agreement as guarantor if the transferor Group Company is a guarantor under the Guarantee and Adherence Agreement.

13.13 **Additional Security**

The Issuer shall upon the granting of a Material Intragroup Loan procure that such Material Intragroup Loan is made subject to Transaction Security in accordance with the terms of the Transaction Security Documents.

13.14 **Information undertakings**

13.14.1 The Issuer shall:

- (a) prepare and make available the annual audited consolidated financial statements of the Group and the annual audited unconsolidated financial statements of the Issuer (in English), to the Agent and on its website not later than four (4) months after the expiry of each financial year;
- (b) prepare and make available the quarterly interim unaudited consolidated reports of the Group and the quarterly interim unaudited reports of the Issuer (in English), to the Agent and on its website not later than two (2) months after the expiry of each relevant interim period;
- (c) procure that each of the financial statements set out in (a) and (b) above include a profit and loss account and a balance sheet and that each of the consolidated financial statements, in addition, include a cash flow statement and a management commentary or report from the Issuer's board of directors;
- (d) make available a report of the use of proceeds of the Bonds in accordance with the Issuer's Social Financing Framework to the Agent and on its website in connection with the publication of the annual audited consolidated financial statements of the Group;
- (e) issue a Compliance Certificate to the Agent (i) in connection with publishing a Financial Statement, (ii) in connection with the incurrence of Financial Indebtedness or the payment of any Restricted Payment, which requires that the Incurrence Test is met and (iii) at the Agent's request, within twenty (20) calendar days from such request;
- (f) keep the latest version of these Terms and Conditions (including documents amending these Terms and Conditions) and its Social Financing Framework as well as the second opinion relating to its Social Financing Framework available on its website;
- (g) promptly notify the Agent (and, as regards a Change of Control, a De-Listing or a Listing Failure, the Bondholders) upon becoming aware of (i) the occurrence of a Change of Control, De-Listing, Listing Failure or an Event of Default (or any event or circumstance which would (with the expiry of a grace period, the giving of notice, the making of any termination or a combination of any of the foregoing) constitute an Event of Default) has occurred, and shall provide the Agent with such further information as the Agent may request (acting reasonably) following receipt of such notice;

- (h) prepare the Financial Statements referred to under paragraphs (a) and (b) above 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*); and
- (i) provide any other information to the Agent required by the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) (as amended from time to time) and the rules and regulations of Nasdaq Stockholm provided that such disclosure of information is not in violation of any applicable law.

13.14.2 The Issuer shall notify the Agent of any transaction referred to in Clause 13.8 (*Disposals of assets*) and shall, upon request by the Agent, provide the Agent with:

- (a) any information relating to the transaction which the Agent deems necessary (acting reasonably); and
- (b) a certificate from the Issuer which states whether the transaction is carried out at fair market value and on terms and conditions customary for such transaction or not and whether it has a Material Adverse Effect or not.

13.14.3 The Agent may assume that any information provided by the Issuer is correct, and the Agent shall not be responsible or liable for the adequacy, accuracy or completeness of such information. The Agent is not responsible for assessing if the transaction is carried out at fair market value and on terms and conditions customary for such transaction and whether it has a Material Adverse Effect, but is not bound by the Issuer's determination under paragraph (ii) above.

13.15 **Agency Agreement**

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

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

13.15.2 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.

13.16 **CSD related undertakings**

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

14. CONDITIONS PRECEDENT TO THE ISSUE DATE

14.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the Issue Date (or such later time as agreed by the Agent), the following documents:

- (a) copies of constitutional documents of the Issuer;
- (b) copies of necessary corporate resolutions (including authorisations) 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) authorising 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; and
- (c) duly executed copies of the Finance Documents, and as regards the Escrow Account Pledge Agreement, together with all documents and evidences to be delivered pursuant to that agreement.

14.2 The Agent shall confirm to the Issuing Agent without delay when it is satisfied that the conditions set out above have been received (or amended or waived in accordance with the Terms and Conditions). The 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 Issue Date as regards items 14.1(a)–14.1(c) in Clause 14.1 above, provided however that the Issuing Agent and the Issuer may agree to postpone the Issue Date.

14.3 Following receipt by the Issuing Agent of the confirmations referred to above, the Issuing Agent shall settle the issuance of the Bonds and pay the Net Proceeds of the Bond Issue to the Escrow Account on the Issue Date.

14.4 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 authorized 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 this purpose (which shall always be deemed satisfied by a legal opinion). 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.

15. CONDITIONS PRECEDENT FOR DISBURSEMENT

15.1 The Agent's approval of the disbursement of the Net Proceeds from the Bond Issue from the Escrow Account (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) is subject to that the Agent has received the following documents and evidence:

- (a) constitutional documents and corporate resolutions (approving the relevant Finance Documents and authorising a signatory/-ies to execute such Finance Documents) for each party (for the avoidance of doubt, being a Group Company) other than the Agent and the Issuer being part to the relevant Finance Documents;
- (b) evidence in the form of an unconditional redemption notice that the Existing Bonds will be redeemed in full within one (1) Business Day following the disbursement from the Escrow Account;
- (c) evidence that the following Finance Documents have been, or will be within one (1) Business Day following disbursement from the Escrow Account, duly executed:
 - (i) a security agreement in respect of all the shares in the Guarantor; and
 - (ii) a security agreement in respect of any present or future Material Intragroup Loans;

together with evidence that the Transaction Security purported to be created under such Transaction Security Documents has been or will be perfected in accordance with the terms of such Transaction Security Documents; and

 - (iii) the Guarantee and Adherence Agreement; and
- (d) legal opinions on the capacity and due execution of each party to a Finance Document not incorporated in Sweden and the validity and enforceability of any Finance Documents not governed by Swedish law, in each case issued by a reputable law firm.

15.2 When the Conditions Precedent for Disbursement set out in Clause 15.1 above have been received by the Agent, the Agent shall instruct the Escrow Bank to release the Net Proceeds from the Bonds to be applied towards repurchase of the Existing Bonds in full.

15.3 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.

16. TRANSACTION SECURITY AND GUARANTEES

16.1 Transaction Security

16.1.1 Subject to the Intercreditor Agreement (if entered into), as continuing Security for the due and punctual fulfilment of the Secured Obligations, the Issuer grants the Transaction Security as first ranking Security to the Secured Parties as represented by the Agent at the times set out in these Terms and Conditions. The Transaction Security shall be provided and perfected pursuant to, and subject to the terms of, the Transaction Security Documents.

16.1.2 The Agent shall hold the Transaction Security on behalf of the Secured Parties in accordance with the Transaction Security Documents and the Intercreditor Agreement (if entered into).

16.1.3 Subject to the terms of the Intercreditor Agreement (if entered into), unless and until the Agent has received instructions from the Bondholders in accordance with Clause 19 (*Decisions by*

Bondholders), the Agent shall (without first having to obtain the Bondholders' consent) be entitled to enter into agreements with the Issuer or a third party or take any other actions, if it is, in the Agent's opinion, necessary for the purpose of maintaining, altering, releasing or enforcing the Transaction Security, creating further Security for the benefit of the Secured Parties or for the purpose of settling Bondholders' or the Issuer's rights to the Transaction Security, in each case in accordance with the terms of the Finance Documents.

- 16.1.4 The Guarantor will, subject to applicable laws and the Intercreditor Agreement (if entered into), adhere to certain undertakings under the Terms and Conditions, irrevocably and unconditionally, jointly and severally, as principal obligors guarantee to the Bondholders and the Agent (representing the Bondholders), the punctual performance of the Secured Obligations, each in accordance with and subject to the Guarantee and Adherence Agreement.
- 16.1.5 The Agent shall hold the Guarantees on behalf of the Secured Parties in accordance with the Guarantee and Adherence Agreement and the Intercreditor Agreement (if entered into).

16.2 **Miscellaneous**

For the purpose of exercising the rights of the Secured Parties, the Agent may instruct the CSD in the name and on behalf of the Issuer to arrange for payments to the Secured Parties under the Finance Documents and change the bank account registered with the CSD and from which payments under the Bonds are made to another bank account. The Issuer shall immediately upon request by the Agent provide it with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent and the CSD), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under this Clause 16.

16.3 **Further assurance**

- 16.3.1 Subject to the Intercreditor Agreement (if entered into) and the Transaction Security Documents, the Issuer shall, and shall ensure that each other Group Company will, promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as as may be necessary (and in such form as the Agent may reasonably require in favour of the Agent or its nominee(s)):
- 16.3.2 to perfect the Transaction Security created or intended to be created or for the exercise of any rights, powers and remedies of the Secured Parties provided by or pursuant to the Finance Documents or by law; and/or
- 16.3.3 to (after the Transaction Security has become enforceable) facilitate the realisation of the assets which are, or are intended to be, the subject of the Transaction Security.
- 16.3.4 Subject to the Intercreditor Agreement (if entered into) and the Transaction Security Documents, the Issuer shall (and shall ensure that each other member of the Group will) take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any Transaction Security conferred or intended to be conferred on the Secured Parties by or pursuant to the Finance Documents.

16.4 **Enforcement**

- 16.4.1 If the Bonds are declared due and payable according to Clause 17 (*Termination of the Bonds*), the Agent is, without first having to obtain the Bondholders' consent, entitled to enforce the Transaction Security in such manner and under such conditions that the Agent finds acceptable (if in accordance with the Transaction Security Documents and subject to the Intercreditor Agreement (if entered into)).
- 16.4.2 For the purpose of exercising the rights of the Bondholders and the Agent under the Finance Documents and for the purpose of distributing any funds originating from the enforcement of any Transaction Security, the Issuer irrevocably authorises and empowers the Agent to act in the name of the Issuer, and on behalf of the Issuer, to instruct the CSD to arrange for payment to the Bondholders. To the extent permissible by law, the powers set out in this Clause 16.4.2 are irrevocable and shall be valid for as long as any Bonds remain outstanding. The Issuer shall immediately upon request by the Agent provide the Agent with any such documents, including a written power of attorney, which the Agent deems necessary for the purpose of carrying out its duties under Clause 18.3 below (including as required by the CSD in order for the CSD to accept such payment instructions). Especially, the Issuer shall, upon the Agent's request, provide the Agent with a written power of attorney empowering the Agent to change the bank account registered with the CSD to a bank account in the name of the Agent and to instruct the CSD to pay out funds originating from an enforcement to the Bondholders through the CSD.

16.5 **Release of Transaction Security and Guarantees**

- 16.5.1 Subject to the Intercreditor Agreement (if entered into), the Agent shall be entitled to release the Transaction Security and Guarantees in accordance with the terms of the Transaction Security Documents and the Guarantee and Adherence Agreement.
- 16.5.2 The Agent shall be entitled to release the security over the Escrow Account in accordance with the Escrow Account Pledge Agreement and in order to fund a Mandatory Total Redemption in accordance with Clause 5 (*Escrow of proceeds*).

17. **TERMINATION OF THE BONDS**

- 17.1 The Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50.00) 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 17.3 or Clause 17.5, on behalf of the Bondholders and by notice to the Issuer terminate the Bonds and to declare all, but not only some, 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, if:
- (a) **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;

- (b) **Maintenance Test:** Subject to the Equity Cure, the Issuer does not comply with the Maintenance Test on any Reference Date.
- (c) **Other obligations:** The Issuer does not comply with the Finance Documents in any other way than as set out under paragraph (a) or (b) above, Clause 4 (*Use of proceeds*) or Clause 13.14.1(d), unless the non-compliance:
 - (i) is capable of being remedied; and
 - (ii) is remedied within fifteen (15) Business Days of the earlier of the Agent giving notice and the Issuer becoming aware of the non-compliance (if the failure or violation is not capable of being remedied, the Agent may declare the Bonds payable without such prior written request);
- (d) **Cross payment-default/Cross-acceleration:**
 - (i) 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
 - (ii) 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 (i) and/or (ii) above, individually or in the aggregate exceeds an amount corresponding to SEK 10,000,000 and provided that it does not apply to any Financial Indebtedness owed to a Group Company;
- (e) **Insolvency:**
 - (i) 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 these Terms and Conditions) with a view to rescheduling its Financial Indebtedness; or
 - (ii) a moratorium is declared in respect of the Financial Indebtedness of any Material Group Company;
- (f) **Insolvency proceedings:** Any corporate action, legal proceedings or other procedures are taken (other than (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within thirty (30) calendar days of commencement or, if earlier, the date on which it is advertised and (ii), in relation to the Subsidiaries, solvent liquidations) in relation to:
 - (i) the suspension of payments, winding-up, dissolution, administration or company 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;
- (g) **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 10,000,000 and is not discharged within thirty (30) calendar days;
- (h) **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; or
- (i) **Cessation of the business:** The Issuer or any other Material Group Company ceases to carry on its business, except if due to (i) a permitted merger or demerger as set out in Clause 13.12 (*Merger and demerger*) or (ii) a permitted disposal as stipulated in Clause 13.8 (*Disposals of assets*) and provided, in relation to the cessation of business by a Group Company other than the Issuer, that such cessation has a Material Adverse Effect.

17.2 The Agent may not terminate the Bonds in accordance with Clause 17.1 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 17.1.

17.3 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 17.1(a) (*Non-payment*)) up until the time stipulated in Clause 17.4 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.

17.4 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 19 (*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.

- 17.5 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 19 (*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.
- 17.6 If the Bonds are declared due and payable in accordance with the provisions in this Clause 17, the Agent shall promptly declare the Bonds due and payable and take such actions as may, in the opinion of the Agent, be necessary or desirable to enforce the rights of the Bondholders under the Finance Documents, unless the relevant Event of Default is no longer continuing.
- 17.7 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.
- 17.8 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 17 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 17.1 or Clause 19 (*Decisions by Bondholders*).
- 17.9 If the Bonds are declared due and payable in accordance with this Clause 17 the Issuer shall redeem all Bonds with an amount per Bond equal to the applicable Call Option Amount for the relevant period (in each case plus accrued but unpaid interest).

18. DISTRIBUTION OF PROCEEDS

- 18.1 If the Bonds have been declared due and payable in accordance with Clause 17 (*Termination of the Bonds*), all payments by the Issuer or any guarantor under the Guarantee and Adherence Agreement relating to the Bonds and proceeds received from an enforcement of any Transaction Security Documents shall be made and/or distributed in accordance with the Intercreditor Agreement (if entered into) and shall, prior to the entering into of an Intercreditor Agreement, be made and/or 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 its capacity as Agent or Security Agent) under the Finance Documents;
 - (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 Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer or any guarantor under the Guarantee and Adherence Agreement (as applicable). 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.

- 18.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 18.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 18.1.
- 18.3 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 bondholder under the Existing Bonds and the other interested parties. The Agent shall arrange for payments of such funds as soon as reasonably practicable.
- 18.4 If the Issuer or the Agent shall make any payment under this Clause 18, 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.

19. DECISIONS BY BONDHOLDERS

- 19.1 A request by the Agent for a decision by the Bondholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 19.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10.00) 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.

19.3 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.

19.4 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.

19.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 19.3 being applicable, the Issuer or Bondholder(s) requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall upon request provide the Issuer or the convening Bondholder(s) with the information available in 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. The Issuer or Bondholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

19.6 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 20.1 or instigate a Written Procedure by sending communication in accordance with Clause 21.1. After a request from the Bondholders pursuant to Clause 24.4.3, 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 20.1. 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.

19.7 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 21.2, 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.

19.8 The following matters shall require consent of Bondholders representing at least two thirds (2/3) 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 21.2:

- (a) waive a breach of or amend an undertaking set out in Clause 13 (*Special undertakings*);
- (b) a mandatory exchange of Bonds for other securities;
- (c) reduce the principal amount, Interest Rate or Interest which shall be paid by the Issuer (other than as a result of an application of Clause 23 (*Replacement of Base Rate*));
- (d) a change of issuer under the Terms and Conditions;
- (e) a release of the Transaction Security, except in accordance with the terms of the Finance Documents;
- (f) amend any payment day for principal or Interest or waive any breach of a payment undertaking, or
- (g) amend the provisions in this Clause 19.8 or Clause 19.9.

19.9 Any matter not covered by Clause 19.8 shall require the consent of Bondholders representing more than fifty (50.00) 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 21.2. This includes, but is not limited to, any amendment to or waiver of the terms of any Finance Document that does not require a higher majority (other than an amendment or waiver permitted pursuant to Clause 22.1(a), (c) or (d), a termination of the Bonds.

19.10 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 19.9.

19.11 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20.00) 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.

19.12 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 20.1) or initiate a second Written Procedure (in accordance with Clause 21.1), 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 19.11 shall not apply to such second Bondholders' Meeting or Written Procedure.

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

- 19.14 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.
- 19.15 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any owner of Bonds (irrespective of whether such person is a Bondholder) for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that vote in respect of the proposal 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.
- 19.16 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 the Issuer or the other Bondholders.
- 19.17 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.
- 19.18 If a decision shall be taken by the Bondholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates as per the Record Date for voting, 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.
- 19.19 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.

20. BONDHOLDERS' MEETING

- 20.1 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 complete notice 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.
- 20.2 The notice pursuant to Clause 20.1 shall include:
- (a) time for the meeting;
 - (b) place for the meeting;
 - (c) a specification of the Record Date on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;

- (d) a form of power of attorney;
- (e) the agenda for the meeting;
- (f) any applicable conditions precedent and conditions subsequent;
- (g) the reasons for, and contents of, each proposal;
- (h) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment;
- (i) if a notification by the Bondholders is required in order to attend the Bondholders' Meeting, information regarding such requirement; and
- (j) information on where additional information (if any) will be published.

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

- 20.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.
- 20.4 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 and advisors 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.
- 20.5 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.

21. WRITTEN PROCEDURE

- 21.1 The Agent shall instigate a Written Procedure by way of sending a communication to the Bondholders as soon as practicable and in any event no later than five (5) Business Days after receipt of a complete communication from the Issuer or the 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 notice to the Issuer.
- 21.2 A communication pursuant to Clause 21.1 shall include:
- (a) each request for a decision by the Bondholders;

- (b) a description of the reasons for and contents of, each proposal (including, if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment);
- (c) any applicable conditions precedent and conditions subsequent;
- (d) information on where additional information (if any) will be published;
- (e) a specification of the Business Day on which a Person must be registered as a Bondholder in order to be entitled to exercise voting;
- (f) 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;
- (g) 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 not more than thirty (30) Business Days from the effective date of the communication pursuant to Clause 21.1); and
- (h) if the voting shall be made electronically, instructions for such voting shall be included in the communication.

21.3 If the Agent, in breach of these Terms and Conditions, has not instigated a Written Procedure within five (5) Business Days after having received such notice, and without Clause 19.3 being applicable, the requesting Person may instigate a Written Procedure itself. If the requesting Person is a Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the register kept by the CSD for the purpose to instigate and carry out the Written Procedure.

21.4 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 19.8 and 19.9 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clauses 19.8 or 19.9, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

21.5 The Agent may, during the Written Procedure, provide information to the Issuer by way of updates whether or not quorum requirements have been met and about the eligible votes received by the Agent, including the portion consenting or not consenting to the proposal(s) or refraining from voting (as applicable).

22. AMENDMENTS AND WAIVERS

22.1 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 a Finance Document, provided that the Agent is satisfied that such amendment or waiver:

- (a) is not detrimental to the interest of the Bondholders as a group,
- (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 sustainable bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable)

provided such amendment or waiver does not materially adversely affect the rights of the Bondholders;

- (e) has been duly approved by the Bondholders in accordance with Clause 19 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval of the Bondholders; or
- (f) is made pursuant to Clause 23 (*Replacement of Base Rate*).

22.2 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 22.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Terms and Conditions are available on the website of the Agent and the Issuer shall ensure that such amendments to the Terms and Conditions are available on the website of the Issuer. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD.

22.3 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.

23. REPLACEMENT OF BASE RATE

23.1 General

23.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 23 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.

23.1.2 If a Base Rate Event has occurred, this Clause 23 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of STIBOR.

23.2 Definitions

In this Clause 23:

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

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

“Base Rate Amendments” has the meaning set forth in Clause 23.3.4.

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

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;
- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Issuing Agent to calculate any payments due to be made to any Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy Agent of the Base Rate Administrator or by the Agent under the bank recovery and resolution framework (Sw. krishanteringsregelverket) containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

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

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

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

“**Successor Base Rate**” means:

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

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

23.3 **Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

23.3.1 Without prejudice to Clause 23.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer's expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 23.3.2.

23.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer's expense, appoint an Independent Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating, and finally deciding the applicable Base Rate.

23.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 23.3.2, the Bondholders shall, if so decided at a Bondholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 23.3.2. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clauses 23.3 to 23.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.

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

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

23.4 **Interim measures**

23.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period shall be:

23.4.2 if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or

23.4.3 if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.

23.4.4 For the avoidance of doubt, Clause 23.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 23. This will however not limit the application of Clause 23.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 23 have been taken, but without success.

23.5 **Notices etc.**

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Issuing Agent and the Bondholders in accordance with Clause 29 (*Notices and press releases*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

23.6 **Variation upon replacement of Base Rate**

23.6.1 No later than giving the Agent notice pursuant to Clause 23.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 23.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 23. The Successor Base Rate the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Issuing Agent and the Bondholders.

23.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 23.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 23.

23.6.3 The Agent and the Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 23. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Issuing Agent in the Finance Documents.

23.7 **Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 23.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or

wilful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

24. THE AGENT

24.1 Appointment of Agent

24.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent and security 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 and in relation to any mandatory exchange of the Bonds for other securities (including, for the avoidance of doubt, a right for the Agent to subscribe for any such new securities on behalf of the relevant Bondholder). By acquiring Bonds, each subsequent Bondholder confirms such appointment and authorisation for the Agent to act on its behalf.

24.1.2 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.

24.1.3 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.

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

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

24.2 Duties of the Agent

24.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents.

24.2.2 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.

24.2.3 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.

- 24.2.4 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.
- 24.2.5 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.
- 24.2.6 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; or
 - (d) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents (including for the purpose of deciding whether the conditions set out in Clause 22.1 are fulfilled).

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 18 (*Distribution of proceeds*).

- 24.2.7 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.
- 24.2.8 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 financial condition of the Issuer and the Group;
 - (c) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents; or
 - (d) whether any other event specified in any Finance Document has occurred or is expected to occur.

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.

- 24.2.9 The Agent shall (a) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Schedule 1 and as otherwise agreed between the Issuer and the Agent and (b) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. 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 24.2.9, and the reporting segment US Commercial shall always be included in the reporting.
- 24.2.10 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 24.2.10. 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.
- 24.2.11 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.
- 24.2.12 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.
- 24.2.13 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 24.2.12.
- 24.2.14 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 (unless, in the opinion of the Agent, such request is vexatious or frivolous). The Agent may require that the requesting Bondholder or the Issuer 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.
- 24.2.15 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 17.5).

24.3 **Limited liability for the Agent**

- 24.3.1 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.
- 24.3.2 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 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.
- 24.3.3 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.
- 24.3.4 The Agent shall have no liability to the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance the Finance Documents.
- 24.3.5 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.
- 24.3.6 The Agent may assume that the documentation and evidence delivered to it under Clauses 14 (*Conditions Precedent to the Issue Date*) and 15 (*Conditions Precedent for Disbursement*) are 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.

24.4 **Replacement of the Agent**

- 24.4.1 Subject to Clause 24.4.6, 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.
- 24.4.2 Subject to Clause 24.4.6, 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.
- 24.4.3 A Bondholder (or Bondholders) representing at least ten (10.00) 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.

24.4.4 If the Bondholders have not appointed a successor Agent within ninety (90) calendar 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.

24.4.5 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.

24.4.6 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 Clause 24.4.4(b) having lapsed.

24.4.7 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.

24.4.8 In the event that there is a change of the Agent in accordance with this Clause 24.4, 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. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

25. THE ISSUING AGENT

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

25.2 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.

25.3 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.

26. THE CSD

26.1 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.

26.2 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 sustainable 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.

27. NO DIRECT ACTIONS BY BONDHOLDERS

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

27.2 Clause 27.1 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 24.1.2), 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 by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 24.2.12 such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 24.2.13 before a Bondholder may take any action referred to in Clause 27.1.

27.3 The provisions of Clause 27.1 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.

28. TIME-BAR

28.1 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.

28.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (*Sw. preskriptionslag (1981:130)*), a new time-bar 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.

29. NOTICES AND PRESS RELEASES

29.1 Notices

29.2 Any notice or other communication to be made under or in connection with the 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 notified by the Agent to the Issuer from time to time, if sent by email by the Issuer, to such email address as 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 (*Sw. Bolagsverket*) on the Business Day prior to dispatch or such address as notified by the Issuer to the Agent from time to time, or if sent by email by the Agent, to such email 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, on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practicable possible) or letter for all Bondholders, provided that the same means of communication shall be used for all Bondholders. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.

29.2.1 Any notice or other communication made by one Person to another under or in connection with these Terms and Conditions shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective:

- (a) in case of courier or personal delivery, when it has been left at the address specified in Clause 29.2;
- (b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 29.2; or
- (c) in case of email to the Agent or the Issuer, when received in legible form by the email address specified in Clause 29.2.

29.2.2 Any notice which shall be provided to the Bondholders in physical form pursuant to these Terms and Conditions may, at the discretion of the Agent, be limited to:

- (a) a cover letter, which shall include:
 - (i) all information needed in order for Bondholders to exercise their rights under the Finance Documents;
 - (ii) details of where Bondholders can retrieve additional information;
 - (iii) contact details to the Agent; and
 - (iv) an instruction to contact the Agent should any Bondholder wish to receive the additional information by regular mail; and
- (b) copies of any document needed in order for the Bondholders to exercise their rights under the Finance Documents.

29.2.3 Any notice or other communication pursuant to the Finance Documents shall be in English.

29.2.4 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.

29.3 **Press releases**

29.3.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clause 5.3, 11.3, 11.4, 11.5, 13.14.1(g), 18.4, 19.19, 20.1, 21.1, 22.2, 23.5 and 24.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

29.3.2 In addition to Clause 29.3.1, 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.

30. **FORCE MAJEURE AND LIMITATION OF LIABILITY**

30.1 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.

30.2 The Issuing Agent shall have no liability to the Bondholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

- 30.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with the Finance Documents, such action may be postponed until the obstacle has been removed.
- 30.4 The provisions in this Clause 30 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

31. ADMISSION TO TRADING

- 31.1 The Issuer shall use its reasonable endeavours to procure that the Bonds are admitted to trading on the sustainable bond list of Nasdaq Stockholm within thirty (30) calendar days after the Issue Date and remain listed on such exchange. Furthermore, if the Bonds have not been admitted to trading on the sustainable bond list of Nasdaq Stockholm (or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market) within sixty (60) calendar days after the 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)*)).
- 31.2 The Issuer has in accordance with Clause 13.2 (*Admission to trading*) undertaken to have the Bonds admitted to trading within six (6) months after the Issue Date on the sustainable bond list of Nasdaq Stockholm (or, if such admission to trading is not possible to obtain or maintain, admitted to trading on any other Regulated Market within six (6) months after the Issue Date). The Issuer shall ensure that the Bonds, once admitted to trading on a Regulated Market continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).

32. GOVERNING LAW AND JURISDICTION

- 32.1 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.
- 32.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 32.3, be determined by Swedish courts and the District Court of Stockholm shall be the court of first instance.
- 32.3 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.

* * *

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

Place:

OREXO AB (PUBL)

as Issuer

Name:

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

Place:

NORDIC TRUSTEE & AGENCY AB (PUBL)

as Agent

Name:

Schedule 1

Form of Compliance Certificate

COMPLIANCE CERTIFICATE

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

From: Orexo AB (publ) as Issuer

Date: [date]

Dear Sir or Madam,

Orexo AB (publ)

SEK 500,000,000 senior secured callable floating rate social bonds 2024/2028 with

ISIN: SE0021515277

(the “Bonds”)

(1) We refer to the terms and conditions of 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**

This Compliance Certificate is furnished to you for the quarterly interim period [add period]. We confirm that the Maintenance Test, based on calculations of the Financial Statements for that period, is met and that:

- (a) Cash and Cash Equivalents of the Group is at least SEK 75,000,000; and
- (b) the ratio of Net Interest Bearing Debt to EBITDA US Commercial is [●], [(i.e. less than [●]:1.)

[To include calculations and figures for the Maintenance Test.]]¹

[(3) **Incurrence Test**

This Compliance Certificate is furnished to you in connection with [the incurrence of new Financial Indebtedness or Restricted Payment that requires that the Incurrence Test is met]. The calculations have been made *pro forma* and subject to Clause 12.4 and 12.5 of the Terms and Conditions and we confirm that the Incurrence Test is met and that:

- (a) the ratio of Net Interest Bearing Debt to EBITDA is [●] (i.e. not greater 2:1; and
- (b) the Interest Coverage Ratio is [●] (i.e. exceeds 4.00:1.)

[To include calculations and figures for the Incurrence Test.]]²

¹ To be included in each Compliance Certificate delivered in connection with the publication of each interim report.

² To be included in each Compliance Certificate delivered in connection with the testing of the incurrence test.

[We confirm, so far as we are aware, that no Event of Default is continuing³.]⁴

Orexo AB (publ)

Name:

Authorised signatory

Name:

Authorised signatory

³ Or if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it.

⁴ To be included in each Compliance Certificate.

Schedule 2

Intercreditor principles

The below set out intercreditor principles for the Intercreditor Agreement (as defined in the Terms and Conditions). The following overview does not purport to be complete, and is qualified in its entirety by the final Intercreditor Agreement. Terms defined in the Terms and Conditions shall have the same meaning when used in this schedule unless contrary indication appears.

**Principal
Definitions:**

“**Bonds Only Transaction Security**” means the security created or purported to be created under the Escrow Account Pledge Agreement.

“**Final Discharge Date**” means the date when all principal, interest and any other costs or outstanding amounts under the Senior Finance Documents have been unconditionally and irrevocably paid and discharged in full and that all commitments under the Senior Finance Documents have expired, been cancelled or terminated.

“**Hedge Counterparty**” means any person who is or becomes a hedge counterparty pursuant to any Hedging Agreement and that has entered into or acceded to the Intercreditor Agreement.

“**Hedging Agreement**” means any master agreement, confirmation, schedule or other agreement entered into or to be entered into by an ICA Group Company and a Hedge Counterparty in connection with protection against or benefit from fluctuation in any rate (including currency) or price, in respect of payments to be made under the Senior Finance Documents (but not a derivative transaction for investment or speculative purposes).

“**Hedging Obligations**” means all present and future moneys, debts and liabilities due, owing or incurred from time to time by the ICA Group Companies to any Hedge Counterparty under or in connection with any Hedging Agreement.

“**ICA Group Companies**” means any Group Companies which has entered into or acceded to the Intercreditor Agreement pursuant to the Senior Finance Documents.

“**Intragroup Debt**” means any debt outstanding from a Group Company to another Group Company including Material Intragroup Loans.

“**Major Undertakings**” means an undertaking with respect to any Group Company pursuant to any negative pledge undertaking or restriction on financial indebtedness, disposals, mergers, acquisitions, distributions, loans out or guarantees under any Super Senior Working Capital Facility.

“**Representatives**” means the Super Senior Representative and the Senior Representative.

“**Secured Obligations**” means all present and future liabilities and obligations at any time due, owing or incurred by any Group Company to any Secured Party under the Senior Finance Documents, both actual and contingent.

“**Secured Parties**” means the creditors under the Senior Finance Documents but only if such creditor (or, in the case of a Bondholder, its Representative) is a party to or has acceded to the Intercreditor Agreement in the appropriate capacity pursuant to the terms of the Intercreditor Agreement, and their respective agents.

“**Security Agent**” means Nordic Trustee & Agency AB (publ) (reg. no. 556882-1879) as security agent for the Secured Parties.

“**Senior Creditor**” means the Bondholders and the Agent.

“**Senior Debt**” means all indebtedness outstanding to the Senior Creditors under the Finance Documents.

“**Senior Finance Documents**” means the Finance Documents and the Super Senior Documents.

“**Senior Representative**” means, at any time, the representative of, the Senior Creditors.

“**Super Senior Creditors**” means each Super Senior Working Capital Facility Creditor and each Hedge Counterparty.

“**Super Senior Debt**” means (i) all indebtedness outstanding to the Super Senior Working Capital Facility Creditors (or any of their Affiliates) under the Super Senior Documents and (ii) all indebtedness outstanding to a Hedge Counterparty (if any) under a Hedging Agreement.

“**Super Senior Documents**” means the Super Senior Working Capital Facility, the Intercreditor Agreement, the Hedging Agreements (if any), the Guarantee and Adherence Agreement, the Transaction Security Documents (save for the Bonds Only Transaction Security) and any other document designated to be a Super Senior Document by the Issuer and the Super Senior Creditors.

“**Super Senior Representative**” means, at any time, the representative of those Super Senior Creditors holding 50.00 per cent. or more of the aggregate of Super Senior Debt.

“**Super Senior Working Capital Facility Creditor**” means any person who is or becomes a lender under a Super Senior Working Capital Facility.

“**Transaction Security**” means the security provided to the Secured Parties under the Transaction Security Documents (save for the Bonds Only Transaction Security).

Background:

The security securing the Secured Obligations will (save for the Bonds Only Transaction Security) be a single security package which will be held pursuant to relevant law and intercreditor arrangements, and the Security Agent will be appointed as initial security agent to hold the security on behalf of each of the Secured Parties.

Ranking and Priority:

Unless expressly provided to the contrary in these intercreditor principles, each of the parties to the Intercreditor Agreement will agree that the Secured Obligations owed by the ICA Group Companies to the Secured Parties and the other relevant parties shall rank in all respects in right and priority of payment in the following order:

first, the Super Senior Debt (*pari passu* between all indebtedness under the Super Senior Debt);

second, the Senior Debt (*pari passu* between all indebtedness under the Senior Debt);

third, any liabilities raised in the form of Intragroup Debt; and

fourth, any liabilities raised in the form of Subordinated Debt.

Transaction Security and Guarantees:

Unless expressly provided to the contrary in these intercreditor principles, the Transaction Security and the guarantees under the Guarantee and Adherence Agreement will be granted with the following ranking and priority:

- (a) the guarantees and the Transaction Security shall be granted with *first* priority ranking in respect of the Super Senior Debt and the Senior Debt, *pari passu*

between the Super Senior Debt and the Senior Debt, but subject always to the allocation of proceeds provision as set out in Section “*Application of enforcement proceeds*”;

- (b) the Bonds Only Transaction Security shall rank and secure only the Finance Documents; and
- (c) the Intragroup Debt and any Subordinated Debt shall remain unguaranteed and unsecured.

Payment Block:

Following a written notice from the Super Senior Representative to the Issuer (with a copy to the Security Agent and the Agent) of (i) acceleration or (ii) that an event of default (for the avoidance of doubt, after the expiry of any applicable grace period in respect of the default giving rise to the event of default) under the Super Senior Documents relating to (a) a non-payment, (b) a cross-default or cross-acceleration, (c) insolvency, (d) insolvency proceedings, (e) creditors’ process, (f) cessation of business, (g) a breach of a Major Undertaking, (h) repudiation and rescission of agreements or (i) unlawfulness and invalidity has occurred (a “**Payment Block Event**”) and for as long as it is continuing, or up until a written notice from the Super Senior Representative to the contrary, no payments of principal or interest may be made to the Senior Creditors.

A Payment Block Event shall cease to be continuing if no enforcement action or consultation in accordance with the section “Enforcement” below has been initiated within 150 days from the occurrence of the relevant Payment Block Event. For the avoidance of doubt, interest shall continue to accrue during such period and the failure to timely make any payments due under the Senior Debt shall constitute an Event of Default and the unpaid amount shall carry default interest.

Until a Payment Block Event has been remedied or waived, any amounts paid under the Senior Debt (despite the Payment Block Event) shall be applied in accordance with Section “*Application of enforcement proceeds*”.

Cancellation of Working Capital Facility:

To the extent the Issuer repurchases, amortises or otherwise repays the Bonds whereby the aggregate amount of the Senior Debt outstanding falls below a threshold of the aggregate initial amount of Senior Debt as specified by the Super Senior Working Capital Facility Creditor, the Super Senior Working Capital Facility Creditor may demand repayment and cancellation of the Super Senior Working Capital Facility *pro rata* with such repurchase, amortisation or other repayment.

Enforcement:

If either the Super Senior Creditors or the Senior Creditors wish to issue instructions for enforcement, their Representative (as the case may be) shall deliver a copy of those proposed enforcement instructions (an “**Enforcement Proposal**”) to the Security Agent and the Security Agent shall promptly forward such Enforcement Proposal to the each other Representative.

If the Security Agent has received conflicting enforcement instructions, the Security Agent shall promptly notify the Representatives and the Representatives shall (unless the Transaction Security and the guarantees have become enforceable as a result of an insolvency event) consult with each other and the Security Agent (as the case may be) in good faith for a period of not more than 30 days (the “**Consultation Period**”).

Following an Enforcement Proposal and subject to, *inter alia*, paragraphs (a) and (b) below, the Security Agent will act in accordance with enforcement instructions received from the Senior Creditors.

- (a) If (i) no enforcement instructions have been issued to the Security Agent from the Senior Representative within 3 months of the date of the Enforcement Proposal or from the end of the Consultation Period or (ii) the Super Senior Debt has not been discharged in full within 6 months of the date of the Enforcement Proposal or from the end of the Consultation Period, then the Security Agent will act in accordance with enforcement instructions received from the Super Senior Representative until the Super Senior Debt has been discharged in full.
- (b) If a Secured Party (acting reasonably) considers that the Security Agent is enforcing the Transaction Security in a manner which is not consistent with the security enforcement objective, such Secured Party shall give notice to the other Secured Parties after which the Representatives and the Security Agent shall consult for a period of 20 days (or such lesser period that the Secured Parties may agree) with a view to agreeing on the manner of enforcement.

**Application of
Enforcement
Proceeds:**

The proceeds of any enforcement action (including but not limited to any proceeds received from any direct or indirect realisation or sale by the Security Agent of any assets being subject to Transaction Security, payments under any guarantees or proceeds received in connection with bankruptcy or other insolvency proceedings) shall be paid to the Security Agent for application in the following order (subject to applicable mandatory law):

- (a) *firstly*, in or towards payment *pro rata* of unpaid fees, costs, expenses and indemnities payable by any Group Company to the Security Agent;
- (b) *secondly*, in or towards payment *pro rata* (and with no preference among them) of unpaid fees, costs, expenses and indemnities payable by any Group Company to the Issuing Agent and the Representatives (in its capacity as Agent, Security Agent or super senior agent);
- (c) *thirdly*, towards payment *pro rata* (and with no preference among them) of accrued interest unpaid under the Super Senior Documents;
- (d) *fourthly*, towards payment *pro rata* (and with no preference among them) of principal under the Super Senior Documents and any other costs or outstanding amounts under the Super Senior Documents, and any close out amount and any other outstanding amounts to a Hedge Counterparty (if any);
- (e) *fifthly*, towards payment *pro rata* (and with no preference among them) of accrued interest unpaid under the Senior Debt (interest due on an earlier Interest Payment Date to be paid before any interest due on a later Interest Payment Date);
- (f) *sixthly*, towards payment *pro rata* of principal under the Senior Debt (and with no preference among them);
- (g) *seventhly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Terms and Conditions and any Senior Finance Documents;
- (h) *eighthly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Intragroup Debt;
- (i) *ninthly*, after the Final Discharge Date, towards payment *pro rata* of accrued interest unpaid and principal under the Subordinated Debt; and

- (j) *tenthly*, after the Final Discharge Date, in payment of the surplus (if any) to the relevant Group Company or other person entitled to it.

**Release of
Transaction
Security and
Guarantees:**

The Security Agent is authorised and may execute on behalf of any Secured Party, in each case without any need for further deferral to or authority from such Secured Party, any release of the Transaction Security and the guarantees created by the Transaction Security Documents, the Guarantee and Adherence Agreement and the Intercreditor Agreement, to the extent that such release is made in accordance with the terms and conditions of the Senior Finance Documents.

The Intercreditor Agreement will, subject to certain conditions, enable a release of Transaction Security in connection with disposals for the purpose of:

- (a) enabling a Group Company to dispose of shares in a Group Company that is subject to Transaction Security provided that Transaction Security is provided over a bank account (other than the Escrow Account) where the cash purchase price following such disposal is deposited (the funds standing to credit on such bank account may be used for the purpose of an acquisition of shares in a target company provided that security over all the shares in such target company are provided to the Secured Parties immediately upon such acquisition); and
- (b) enabling intra-group restructurings, provided that the disposal is made subject to the Transaction Security or, in relation to a merger, that it constitutes a permitted merger under the Senior Finance Documents.

New Security:

Any new security created (and guarantees and indemnities granted), in respect of any Secured Obligation shall be extended to and shared between the Secured Parties on a *pro rata* basis and in accordance with the ranking and priority set forth above.

Governing law:

The Intercreditor Agreement shall be governed by Swedish law.

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