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FINAL VERSION

Term Sheet

Esmailzadeh Holding AB (publ)
First Subsequent Bond Issue of SEK 375,000,000
Senior Unsecured Callable Floating Rate Bonds 2022/2025
(the "First Subsequent Bonds" or the "First Subsequent Bond Issue")

ISIN: SE0017133564

LEI: 549300T6QRNXUOE2MB11

First Subsequent Issue Date: 23 January 2023

The following overview included in this term sheet does not purport to be complete, and is qualified in its entirety by the terms and conditions for the Bonds dated 18 January 2022 (the "Terms and Conditions") and related documents.

Issuer:	Esmailzadeh Holding AB (publ), a limited liability company incorporated in Sweden with reg. no. 559242-7388.
Group:	The Issuer and each of its Consolidated Subsidiaries from time to time and " Group Company " means any of them.
Currency:	SEK.
Initial Bond Issue:	SEK 1,200,000,000.
First Subsequent Bond Issue:	SEK 375,000,000
Subsequent Bond Issue:	The Issuer may at one or more occasions after the First Issue Date issue additional Bonds (each a " Subsequent Bond ") provided that (a) the amount of Bonds in issue (i.e. the Initial Bond Issue aggregated with any Subsequent Bonds (including the First Subsequent Bond Issue)) does not exceed SEK 2,400,000,000, and (b) the Issuer meets the Incurrence Test (tested on a <i>pro forma</i> basis).
Interest Rate:	The Bonds shall carry interest at STIBOR (three months) plus the Floating Rate Margin, payable quarterly in arrears. STIBOR floor of zero per cent. will apply.
Floating Rate Margin:	7.50 per cent. <i>per annum</i> .
First Issue Date:	26 January 2022.
First Subsequent Issue Date:	Expected to be 23 January 2023. Notice is expected to be given to subscribers at least two business days prior to the First Issue Date.
Final Redemption Date:	26 January 2025 (three years after the First Issue Date).
Interest Payment Dates:	26 January, 26 April, 26 July and 26 October each year (with the last Interest Payment Date being the Final Redemption Date or such earlier date on which the Bonds are redeemed in full), or to the extent such day is not a business day, 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.

Interest Payments:	Interest on the First Subsequent Bonds will accrue from, but excluding, the Interest Payment Date falling immediately prior to their issuance to, and including, the next succeeding Interest Payment Date. In respect of subsequent interest periods, the period from, but excluding, an Interest Payment Date to, and including, the next succeeding Interest Payment Date (or a shorter period if relevant).
Subsequent Issue Price:	92.50 per cent. of the Nominal Amount for Bonds issued on the First Subsequent Issue Date.
Nominal Amount:	The nominal amount of each Bond is SEK 1,250,000.
Minimum Investment:	The minimum permissible investment upon issuance of the First Subsequent Bonds is SEK 1,250,000.
Purpose of the First Subsequent Bond Issue:	The purpose of the First Subsequent Bond Issue is to: <ul style="list-style-type: none"> (a) finance acquisitions, capital expenditure and operational expenditure; and (b) finance Transaction Costs.
Status of the Bonds:	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank (i) without any preference among them and (ii) at least <i>pari passu</i> with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law.
Redemption at Final Redemption Date:	On the Final Redemption Date the Issuer shall redeem all, but not only some, of the outstanding Bonds in full with an amount per Bond equal to the Nominal Amount together with accrued but unpaid interest.
Call Option (American):	The Issuer may redeem early all, but not only some, of the Bonds on any business day before the Final Redemption Date. The Bonds shall be redeemed at the applicable Call Option Amount together with accrued but unpaid interest.
Call Option Amount:	<ul style="list-style-type: none"> (a) An amount equivalent to the sum of (i) 103.75 per cent. of the Nominal Amount, and (ii) the remaining Interest payments to, and including, the date falling 18 months after the First Issue Date, if the Call Option is exercised before the date falling 18 months after the First Issue Date; (b) 103.75 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after 18 months after the First Issue Date to, but not including, the date falling 24 months after the First Issue Date; (c) 102.25 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 24 months after the First Issue Date to, but not including, the date falling 30 months after the First Issue Date; (d) 100.75 per cent. of the Nominal Amount, together with accrued but unpaid interest, if the Call Option is exercised on or after the date falling 30 months after the First Issue Date to, but not including, the Final Redemption Date. <p>For the purpose of calculating the remaining Interest payments pursuant to (a) above it shall be assumed that the Interest Rate for the period from the relevant record date to the date falling 18 months after the First Issue Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the bondholders. The relevant record date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such repayment.</p>
Special Undertakings:	As per the Terms and Conditions.
Listing:	The Issuer shall ensure that: <ul style="list-style-type: none"> (a) the First Subsequent Bonds are listed on the corporate bond list of Nasdaq Stockholm or, if such admission to trading is not possible to obtain or maintain admitted to trading on another Nordic Regulated Market within 60 days after the issuance of such Subsequent Bonds and with an intention to complete such listing within 30 days after the issuance of such Subsequent Bonds (unless the Subsequent Bonds are issued before the date when the Initial Bonds are listed

in which case such Subsequent Bonds shall be listed together with the Initial Bonds); and

- (b) the First Subsequent Bonds, once admitted to trading on the corporate bond list of the relevant Nordic Regulated Market continue to be listed thereon for as long as any First Subsequent Bond is outstanding (however, taking into account the rules and regulations of the relevant Nordic Regulated Market, and the CSD (as amended from time to time) preventing trading in the First Subsequent Bonds in close connection to their redemption).

Maintenance Covenants:

The Maintenance Covenants is met if:

- (a) Minimum Cash and Liquid Securities at all times is at least:
 - (i) from (and including) the First Issue Date until (and including) the date falling 24 months after the First Issue Date, SEK 250,000,000; and
 - (ii) from (but excluding) the date falling 24 months after First Issue Date until (and including) the Final Maturity Date, SEK 500,000,000; and
- (b) the ratio of Net Interest Bearing Debt to Net Asset Value (expressed as a percentage) is not greater than 30 per cent.

Testing of the Maintenance Covenants:

The Maintenance Covenants shall be calculated in accordance with the accounting principles applicable to the Issuer and tested by reference to each of the Financial Reports on each Reference Date with respect to the Reference Period ending on such Reference Date.

Equity Cure:

As per the Terms and Conditions.

Incurrence Test:

The Incurrence Test is met if:

- (a) the ratio of Net Interest Bearing Debt to Net Asset Value (expressed as a percentage) is not greater than 20 per cent.; and
- (b) no Event of Default is continuing or would occur upon the incurrence of new Financial Indebtedness.

Calculation of Incurrence Test:

The ratio of Net Interest Bearing Debt to Net Asset Value for the purpose of the Incurrence Test shall be calculated as follows:

- (a) the calculation shall be made as per a testing date determined by the Issuer, falling no more than three months prior to the incurrence of the new Financial Indebtedness;
- (b) the amount of Net Interest Bearing Debt shall be measured on the relevant testing date so determined, but include any new Financial Indebtedness and exclude any Financial Indebtedness to the extent refinanced with the new Financial Indebtedness incurred (however, any cash balance resulting from the incurrence of any new Financial Indebtedness shall not reduce the Net Interest Bearing Debt); and
- (c) the amount of Net Asset Value shall be measured on the relevant testing date so determined, adjusted for any events affecting such ratio after such testing date and the Net Asset Value of any entity to be acquired with the proceeds from new Financial Indebtedness shall be included, pro forma.

Definitions:

"Consolidated Subsidiary" means a direct or indirect Subsidiary of the Issuer, provided that such Subsidiary in accordance with IFRS applicable on the First Issue Date (a) does not constitute a financial investment (Sw. *finansiell investering*) of the Issuer or a Subsidiary of the Issuer and (b) is consolidated with the Issuer pursuant to IFRS applicable on the First Issue Date, and for the avoidance of doubt, any Subsidiary from time to time which does constitute a financial investment or is not consolidated with the Issuer under IFRS as applicable on the First Issue Date shall not, regardless of any subsequent changes or amendments of IFRS, be considered as Consolidated Subsidiary and any reclassification of the Issuer from an investment company under IFRS following the First Issue Date shall not be taken into consideration for the purpose of this definition.

"**Equity**" means, in accordance with the applicable accounting principles of the Issuer from time to time, the aggregate sum of (a) restricted equity, (b) non-restricted equity and (c) any Subordinated Debt.

"**Excess Value**" means the difference between (a) the market value of any Liquid Securities and (b) the book value of such Liquid Securities.

"**Gross Debt**" the aggregate interest bearing Financial Indebtedness of the Group in accordance with the applicable accounting principles of the Group from time to time.

"**Investment Subsidiary**" means (a) a direct or indirect Subsidiary of the Issuer which does not constitute a Consolidated Subsidiary and (b) a direct or indirect associate company (Sw. *intressebolag*) of the Issuer.

"**Liquid Securities**" means commercial papers or securities held by the Issuer for which a recognised trading market exists and which are denominated and payable in freely transferable and freely convertible currency to which the Issuer is alone beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or subject to any security.

"**Minimum Cash and Liquid Securities**" means the aggregate amount of Cash and Liquid Securities held by the Issuer.

"**Net Asset Value**" means the aggregate amount of Equity of the Issuer and Excess Value.

"**Net Interest Bearing Debt**" means the aggregate interest bearing Financial Indebtedness less cash and cash equivalents of the Group in accordance with the applicable accounting principles of the Group from time to time (for the avoidance of doubt, excluding guarantees (other than Investment Subsidiary Guarantees), bank guarantees, Subordinated Debt, any claims subordinated pursuant to a subordination agreement and interest bearing Financial Indebtedness borrowed from any Group Company).

"**Reference Date**" means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

"**Reference Period**" means each period of 12 consecutive calendar months.

Events of Default:

As per the Terms and Conditions.

Change of Control Event:

The occurrence of an event or series of events whereby:

- (a) Dr. Saeid AB, reg. no. 559132-0337, ceases to own and control more than 50 per cent. of the shares and votes of the Issuer; or
- (b) the Main Shareholder ceases to own and control more than 50 per cent. of the shares and votes of Dr. Saeid AB.

Main Shareholder:

Saeid Esmailzadeh.

Listing Failure Event:

A situation where:

- (c) the First Subsequent Bonds, if issued before the date when the Initial Bonds been listed on a Regulated Market, have not been admitted to listing on Frankfurt Open Market (or another MTF or Regulated Market) within 60 days after the issuance of the First Subsequent Bonds; or
- (d) in the case of a successful admission to listing, that the First Subsequent Bonds cease to be admitted to listing on Frankfurt Open Market (or another MTF) without being admitted to trading on another MTF or Regulated Market (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 First Subsequent Bonds in close connection to their redemption).

Put Option upon Change of Control

Should a Change of Control Event or a Listing Failure Event occur, each bondholder shall have a right of prepayment (put option) of the Bonds at a price of

Event or Listing Failure Event:	101 per cent. of the Nominal Amount (plus accrued and unpaid interest) during a period of 40 business days following the notice of a Change of Control Event or a Listing Failure Event (exercise period). The repurchase date must fall no later than 40 business days after the end of the exercise period.
Issuing Agent:	Pareto Securities AB.
Joint Bookrunners:	ABG Sundal Collier AB and Pareto Securities AB.
Agent:	The bondholders' agent under the Terms and Conditions and, if relevant, the Finance Documents, from time to time; initially Nordic Agent & Agency AB (publ), with business identity code 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden.
CSD:	The Issuer's central securities depository and registrar in respect of the Bonds from time to time, initially Euroclear Sweden AB, and business identity code 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.
Terms and Conditions:	The Terms and Conditions regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Terms and Conditions, the Terms and Conditions shall prevail. By investing in the Bonds, each investor accepts to be bound by the Terms and Conditions.
Governing law and Disputes:	The Terms and Conditions are governed by and construed in accordance with Swedish law. Any dispute or claim arising in relation to the Terms and Conditions shall be determined by Swedish courts.
Subject to:	The issue of the First Subsequent Bonds shall be subject to approval by the board of directors of the Issuer, as well as any other approvals as may be required by applicable company law.

Stockholm, January 2023

Esmacilzadeh Holding AB (publ)

as Issuer

ABG Sundal Collier AB and Pareto Securities AB

as Joint Bookrunners