

The Board of Directors' proposal for resolution on amendments of the terms and conditions for convertible bonds 2020/2025 (KV4)

The Board of Directors of Swedish Stirling AB (publ) proposes that the Extraordinary General Meeting (the “EGM”) on 28 November 2022 resolves on amendments to the terms and conditions for the company's convertible bonds 2020/2025 (KV4). In addition to the amendments as set out below, editorial amendments as well as consequential changes to the numbering of the terms and conditions for the convertible bonds are made.

The principal amendments to the terms and conditions entail that:

- (i) if conversion has not been requested by the convertible holders prior to the tenth business day before the final maturity date on 30 June 2025, the company shall have the right to postpone the final maturity date to 30 June 2026 and, if conversion has not been requested by the convertible holders prior to the tenth business day before 30 June 2026, the company shall have the right to further postpone the final maturity date to 30 June 2027;
- (ii) the annual interest rate that the loan carries is adjusted from fourteen (14) per cent to ten (10) per cent. If the EGM resolves to amend the terms and conditions for the convertible bonds in accordance with the Board of Directors' proposal, the adjusted interest rate shall be applied retroactively from and including 1 October 2022 and the first interest payment calculated on the basis of the adjusted interest rate falls due on the interest due date on 2 January 2023;
- (iii) the conversion period for the convertible bonds shall run from and including 22 December 2022 up to and including the tenth business day prior to the final maturity date of the loan. Due to the revised conversion period, the current section 7 (right to request early conversion in case of a list change or change of control) loses its function and, hence, the Board of Directors' propose that section 7 is removed in its entirety; and
- (iv) the convertible holders shall be entitled to request conversion of up to fifty (50) per cent of the outstanding loan amount during the period 7–21 December 2022. Should the Board of Directors resolve to carry out a new issue of ordinary shares with preferential right for the shareholders, the conversion price during the period as set out above shall correspond to the subscription price in such rights issue.

In accordance with the above, the Board of Directors proposes that the EGM resolves on two new items, 2 (c) and 6 (b), that the current item 2 (c) is amended as regards its content and numbering, that the current item 6 (a) is amended as regards its content and that section 7 is removed for the company's convertible bonds 2020/2025 (KV4) as set out below:

Current wording

Proposed wording

New § 2 (c)

If Conversion has not been requested by the Convertible Holders corresponding to the total outstanding Loan prior to the tenth Business day before the Final

Current wording

Proposed wording**§ 2 (c)**

The Loan carries an annual interest rate of 14 per cent. The Interest rate runs from and including 30 June 2020 up to and including the Final Maturity Date. The Interest shall be calculated on the basis of one year with 360 days, consisting of twelve months with 30 days each and, in the event of an incomplete month, the actual number of days that have passed. Unless such obstacle as follows from item 19(c) is at hand, interest shall be paid quarterly in arrears on each Interest Due Date starting from 30 September 2020. A final interest payment, to the Convertible Holders who have not completed conversion, will be made on the Final Maturity Date of the Loan.

§ 6 (a)

Convertible Holders shall be entitled to, from and including 2 May 2025 up to and including the tenth Business day before the Final Maturity Date, or from and including and up to and including, respectively, such earlier day as follows from section 9 subsection K, L, M, N or O below, through notice to the Company, request Conversion of their claim to new Shares at a Conversion Price of initially SEK 8. The Conversion Price may be recalculated in accordance with section 9 below.

§ 2 (d)

The Loan carries an annual interest rate of 10 per cent. The Interest rate runs from and including 30 June 2020 up to and including the Final Maturity Date. The Interest shall be calculated on the basis of one year with 360 days, consisting of twelve months with 30 days each and, in the event of an incomplete month, the actual number of days that have passed. Unless such obstacle as follows from 18(c) is at hand, interest shall be paid quarterly in arrears on each Interest Due Date starting from 30 September 2020. A final interest payment, to the Convertible Holders who have not completed conversion, will be made on the Final Maturity Date of the Loan.

§ 6 (a)

Convertible Holders shall be entitled to, during the period from and including 22 December 2022 up to and including the tenth Business day before the Final Maturity Date, or from and including and up to and including, respectively, such earlier day as follows from section 8 subsection K, L, M, N or O below, through notice to the Company, request Conversion of their claim to new Shares at a Conversion Price of initially SEK 8. The Conversion Price may be recalculated in accordance with section 8 below.

New § 6 (b)

Furthermore, the Convertible Holders

Maturity Date, the Company has the right, by way of notice thereof in accordance with section 14 below no later than on the Business day before the Record day for Payment, to resolve to postpone the Final Maturity Date to 30 June 2026. If Conversion has not been requested by the Convertible Holders prior to the tenth Business day before the Final Maturity Date on 30 June 2026, the Company has the right, by way of notice thereof in accordance with section 14 below no later than on the Business day before the Record day for Payment, to resolve to postpone the Final Maturity Date to 30 June 2027.

Current wording

Proposed wording

shall be entitled, by way of notice to the Company during the period from and including 7 December 2022 up to and including 21 December 2022, to request early Conversion into new Shares, of (i) up to fifty (50) per cent of their claim or, (ii) if Conversion corresponding to fifty (50) per cent of the Loan has not been requested, such larger portion of their claim that fifty (50) per cent of the Loan is Converted, at a Conversion Price of initially SEK 8. The Conversion Price at the request of Conversion during the period as set out above shall, however, if the Company has resolved to carry out a new issue of ordinary shares with preferential right for the shareholders to subscribe for new Shares against payment in cash, correspond to the subscription price in the rights issue, without application of the terms and conditions for recalculation in section 8 below. However, the Conversion Price may never be less than the Share's quota value or be determined to an amount that would lead to that the number of new Shares as a result of Conversion, taking into account the new issue, would not be within the limits for the number of shares and the share capital in the articles of association.

Following the proposed amendments, the terms and conditions for the company's convertible bonds 2020/2025 (KV4) shall have the wording as set out in Appendix A (available in Swedish only).

The Board of Directors proposes that the CEO shall be authorised to make such minor adjustments to the proposal as may be required in connection with the registration with the Swedish Companies Registration Office and Euroclear Sweden AB.

Registration and execution of the resolution of the general meeting according to this item is conditional upon that all convertible holders have given their consent to the amendments to the terms and conditions.

Majority requirements

In order to be valid, the resolution requires approval of at least two thirds of the votes cast and the shares represented at the meeting.