

# Spotlight guidelines for issue memorandum

Valid from and including 2024-06-01

## Requirements for prospectus or memorandum for new issues

If a listed company carries out a new share issue, as a general rule, according to law, the company must draw up an issue prospectus, which must be approved by the Swedish Financial Supervisory Authority.

However, in some cases, a prospectus does not need to be prepared. The most relevant exception in this context applies when the amount that a company has attempted to raise through issues, including the issue in question, during the past 12 months amounts to a maximum of EUR 2,5 million.

Although this (or any other) exception to the prospectus requirements is applicable, Spotlight requires the company to draw up an issue memorandum. However, if the company chooses to voluntarily prepare an issue prospectus no issue memorandum is needed.

## General about the content of the issue memorandum

Spotlight's guidelines for the issue memorandum are largely based on the requirements of the Prospectus – Regulation (EU) 2017/1129. Spotlight, however, does not require the same comprehensive information to be provided.

The memorandum shall contain the information about the company and the financial instruments necessary for an investor to be able to make a sound assessment of the company's financial position, results and future outlooks.

The information shall be written so that it is easy to understand and analyze. As always, the information must be accurate, relevant and complete.

The principle "follow or explain" applies. The starting point is thus that the attached list should be followed however deviation(s) may occur if the deviation(s) is justified in the memorandum.

## Parts of the memorandum

The memorandum shall include two parts:

- Information about the company – this part is based the Prospectus – Regulation (EU) 2017/1129 registration document for secondary issues for share related financial instruments.
- Issue information – This part is based on the Prospectus – Regulation (EU) 2017/1129 securities note for secondary issues for share related financial instruments or shares issued by a company for the collective investment of closed type.

## Addition to the memorandum

After the memorandum has been published on Spotlight's website, the company may not make any changes to the memorandum. Should circumstances, from the time of approval of the memorandum until the end of the subscription period, demand that additional information be provided the company must disclose these circumstances.

**References**

If a company wants to avoid burdening a memorandum with extensive documents, such as the articles of association and annual reports, these can instead be placed on the company's website with a link in the memorandum.

**Publication**

The memorandum and any supplementary information shall be published through publication on the company's and Spotlight's websites in connection to Spotlight's approval of the memorandum. The company's press release regarding the issue must state that a memorandum has been drawn up, the terms for the issue and where the memorandum is available.

### Information about the company

The following requirements correspond to what the Prospectus – Regulation (EU) 2017/1129 requires in the prospectus' registration document. Under the heading "Correspondence in the registration document", the number designation used in the Prospectus – Regulation (EU) 2017/1129 for each information is given.

In some cases, information requirements from the securities note have been inserted here. This is marked with (vpn). In addition, information provided by the Swedish Financial Supervisory Authority's report 2006:15 "Unregulated offers in the stock market". These have been marked in 2006:15

	Correspondence in registration document	
<b>Responsible persons/Board declaration</b>	1	
"The Board is responsible for this memorandum and has taken reasonable steps to ensure that the information provided in its opinion is consistent with the facts and that nothing has been omitted that is likely to affect the assessment of the company." (or equivalent)	1.2	
" This document has not been reviewed and approved by the Swedish Financial Supervisory Authority "	2006:15	
<b>Auditors who perform the statutory audit</b>	2	
Information on auditing company and the principal auditor	2.1	
<b>Risk factors</b>	3	
A description of essential risks specific to the company and its securities, in a chapter with the headline "Risk factors", divided on a limited number of categories.  For each category, the company shall state the essential risks assessed by the company, with regards to the negative effects on the company and the risk of realization. Every risk factor shall be described, and explanation given on how it affects the company and financial instruments offered or registered for trading.  The company shall assess the risk factors essentiality based on probability and the expected extent of the negative effect. This assessment of the risk factors may also be disclosed by applying a qualitative scale with the designation low, medium, or high.  The risks shall be confirmed by the content of the memorandum.	3.1	
<b>Brief information about the company</b>	4	
Information about:  a) Name of company b) Organization number c) Identification code for the corporation (LEI) d) The legislation by which the company manage their operations e) The company's country of registration and the national legislation that applies on the company f) Address and telephone to the head office	4.1	
The company's operations	5	
Short description of the following:	5.1	

<p>a) The company's (and on certain occasions the groups operation with associated organization chart) main operation, history, and development.</p> <p>b) A description of the main markets (geographical and industry). Account for the most important products and services and an account of total revenue distributed in each geographic market. Can be stated approximately as a percentage.</p> <p>c) State significant new product and/or services introduced. If the company has published information in regards to new significant new products or services it shall be state its development status. If it is decisive, it must be stated whether the company is dependent on patents, licenses, industrial, commercial, financial agreements, or new manufacturing processes.</p>		
<b>Forecasted earnings or expected earnings</b>	7	
<p>If the company previously has published a forecast which still is current, the company shall disclose this forecast in the memorandum.</p> <p>A distinction must be made between assumptions about factors that can be influenced by the company and its management and assumptions about factors that cannot. The assumptions must be reasonable, easily understood by investors, specific and exact and may not portray the general direction of the assumptions underlying the forecast.</p>	7.1-7.2	
<p>The memorandum shall contain a statement that the forecasted earnings, or the expected result have been compiled and prepared in accordance with the basis that is both:</p> <p>a) comparable with the historical financial information and</p> <p>b) compatible with the company's accounting policy</p>	7.3	
<b>Members of the Board of Directors and other senior positions</b>	8	
<p>Name, office address and position of the following people in the company:</p> <p>a) board members</p> <p>b) each senior executive whose employment ensures that the company has the necessary experience and expertise to conduct its business (always the CEO and vice president, otherwise a judgement call)</p> <p>I. Indicate any family ties between people in a-b</p> <p>II. name of all companies anyone in a-b have been a member of the board and/or in the management of, during the last 5 five years with information regarding if the person is still active in the board and/or management.</p> <p>III. Inform if anyone in a-b has been convicted in a fraud related case, trade prohibitions or similar in the last five years</p> <p>IV. Information on all bankruptcies, liquidations or reconstructions anyone in group a-b have been involved in for at least the last five years in the capacity of and/or part of management</p> <p>V. Potential conflicts of interest of anyone in a-b between their obligations to the company and their private or other external</p>	8.1-8.2	

<p>interests must be reported. If such conflicts of interest do not exist, it must be stated</p> <p>VI. Information regarding holdings of the company's shares or voting rights of each person in a-b, and the size of holdings of each at the time of the memorandum, or if no such person exists this should also be stated.</p>		
<b>Shareholder table</b>	9	
A shareholder table that states all owners owning at least 10 percent of the share- and voting rights, the table should state the owners' amount of voting rights and shares. For the group "other owners", the number of owners should be stated.	9.1	
If the shares have different voting power, it should be stated. If not, this must also be stated.	9.2	
A description regarding eventual arrangements and agreements that by the company's knowledge could lead to a change in control of the company at a later stage.	9.4	

<b>Related party transactions</b>	10	
<p>Information regarding the transactions the company has carried out with related parties since the date of the last year-end report (must include value and the value's percentage of the company's total turnover), if the company has entered into an agreement with a related party and the agreement do not constitute a normal share of the company's operations and not is of insignificant importance</p> <p>"Related party" refers to, in this case:</p> <ol style="list-style-type: none"> <li>i. member of the board, CEO or other employees in the listed company or other company within the group</li> <li>ii. a husband/wife, partner or someone who is under custody to someone who is referred to in i),</li> <li>iii. legal person who is controlled by any of them who is referred to in i) and or ii), or</li> <li>iv. shareholder that controls more than ten percent of the shares or votes.</li> </ol>	10.1	
<b>Financial information about the company's assets and liabilities, financial situation and profits and losses</b>	11	
<p>Historical financial information:</p> <ul style="list-style-type: none"> <li>• Two years of audited accounts and audit reports in accordance with the accounting standard shall be provided.</li> <li>• The information in a and b below regarding the full year shall be audited.</li> <li>• The following are included: <ol style="list-style-type: none"> <li>a) Balance sheet</li> <li>b) Income statement</li> <li>c) Cash flow analysis</li> </ol> </li> </ul> <p>If the company is included in a group, the financial information should regard both the company and the groups assets and liabilities, financial position with profit/loss and capital needs. The company's and the group's financial information shall be disclosed separately.</p>	11.1	

Proforma financial statements  If the company acquires or sells operations after the closing date for reported historical information, which means that profits, sales, or other important key figures have changed by more than 25 percent, a proforma report must be presented.	11.5	
If the information contains information obtained from sources other than audited accounts, the source shall be stated. Furthermore, it should be stated that this information was not audited by the auditor.	11.2.3	
If the company has published quarterly or interim reports after the latest audited annual report, this information should be disclosed in the document. Possible auditor's opinion should be included. If the auditor has not expressed his opinion, this must also be stated.	11.4	
Explanation regarding other information in the memorandum that have been subject to audit by auditor.	11.2	
Legal proceedings and arbitrational proceedings  Information on regulatory procedures, legal proceedings or arbitration proceedings (including proceedings not yet settled or which, according to the company's knowledge, risks being initiated) during a period covering at least the previous 12 months, which may have or have recently had significant effects on the company and / or the group's financial position or profitability, or information that no such procedures exist.	11.3	
Dividend policy  A description of the company's policy for dividends and any restrictions on this.	11.6	
The dividend amount per share for the most recent financial year, with adjustments for comparison purposes in the event of that the number of shares in the company has changed	11.6.1	
<b>Additional information</b>	12	
Share capital.  The following shall be stated at the time of the last balance sheet in the historical information:  Per share type: <ul style="list-style-type: none"> <li>• maximum capital stated in number of shares</li> <li>• number of shares that are issued and fully paid and issued and not fully paid, respectively</li> </ul> An account of outstanding options, convertibles etc. and the conditions for conversion, exchange, or subscription.  Specify conditions for decided or authorized but not yet completed changes in the share capital	12.1	
<b>Essential agreements</b>	14	

A short summary of every essential agreement, apart from such that are entered into within the scope of ongoing operations, where the company or member of the group is a part of agreement that has been entered into during the past two years (including financing agreements, pledge agreements or collateral agreements).  If the company or other company in the same group has entered into other agreements that entail rights or obligations of material importance at the time of the document, it must be stated.	14.1	
<b>Holding of shares or units</b>	14.2	
If the company owns shares in other companies that may have an impact on the assessment of the company's financial situation – for example, by accounting for more than 10 percent of the company's profit or turnover, the following information in regards to such other companies must be provided:  a) Name  b) Organization number or similar  c) Turnover  d) Working capital  e) Balance sheet total	14.2	
<b>Available documents</b>	15	
Information of the website where documents referred are available.	15.1	

### Issue information

The content requirements below correspond to what the Prospectus – Regulation (EU) 2017/1129 requires in the prospectus' for securities secondary issues for share related financial instruments or partial issues of companies for investments of closed type. Under the heading "Correspondence in the securities note", the number designation used by the Swedish Financial Supervisory Authority for each information is given.

Such information already contained in "Company Information" need to be repeated.

	Correspondence in the securities note	Page in the memorandum
<b>Essential information</b>	3	
Reasons for the issue and statement in order of priority of how the issue proceeds will be used. Information on proceedings in case of oversubscription, whether the subscription period can be extended or not and if so, under what circumstances this can occur.	3.2	
Account for working capital  According to the company, assess if the working capital is sufficient to meet current needs.	3.3	
Equity and debt  Account for equity and debt (separate loans with a guarantee and loans without) per the date of the latest report.	3.4	
<b>Information on the securities offered</b>	4	

State type of instrument, number of instruments issued and ISIN code of issued instrument including the international securities identification number (ISIN).	4.1	
State the General Meeting and Board resolutions regarding the issue.	4.3	
Description of restrictions of the right to freely transfer the shares, for example lock-up agreement.	4.4	
<b>The terms and conditions of the offer</b>	5	
Terms, statistical information, time frame of the offer and information on how to respond to the offer.	5.1	
Terms	5.1.1	
Total amount stating how many is being sold or issued, respectively.	5.1.8	
Information on how long the issue lasts and how to subscribe.	5.1.2	
Indication of when and why the offer can be canceled	5.1.2	
If the investor has the right to cancel a subscription, the cancellation period must be stated.	5.1.9	
Methods and deadline for payment and delivery of the shares	5.1.5	
Description of how and when the result of the issue will be published.	5.1.6	
Indicate how preferential rights can be exercised, subscription rights transferred and what happens with unused subscription rights.	5.1.7	
<b>Allocation plan</b>		
Specify oversubscription assignment principles.	5.2.1	
Indicate to whom the offer is being directed.	5.1.1	
Should larger shareholder, member of management or board intend to subscribe in the issue this must be stated. Should a sole proprietorship intend to subscribe to more than five percent of the issue this must also be disclosed.	5.2.2	

State issue price and related costs	5.3.1	
If the company's existing owners have priority in the issue (for example, through statutes in the articles of association) and the company instead makes a directed issue, the reasons must be stated, the issue price explained and those who benefit from the decision stated.	5.3.3	
Name and address of the recipient of subscription applications and payments.	5.4.2	
Information on guarantees, conditions of these, who issued them, how much of the issue they apply to and size of guaranteed commitment.  If the issue is guaranteed to a certain extent an example describing the guarantee commitment in case the issue is partially subscribed should be included in the memorandum. The example should clarify if the public subscription should be subtracted the guarantee commitment or not.	5.4.3	
Date of guarantee agreement	5.4.4	
<b>The cost of the issue/offer</b>	8	
State net income from issue as well as estimated costs associated with the issue.	8.1	
<b>Dilution</b>	9	
Dilution in percentage terms for non-subscribing shareholders in the issue. Specify the method for calculating the dilution effect.	9.1	



<b>Additional information</b>	10	
Information on advisory part.	10.1	
State company enterprise value prior to the issue at set issue price (number of shares prior to the issue multiplied by the se issue price.)	2006:15	