

Oatly Group AB

Closing Symbol: OTLY
Closing Exchange: NASDAQ-GS

Issuance Amount: \$291,000,000
Security Type: Debt: Convertible
Placement Type: PIPE (Unregistered): Reg D/S
Placement Status: Definitive Agreement
Closing/Announced Date: 3/14/23
1st Announcement Date: 3/15/23
1st Announcement Time: Before Market Open
1st Announcement Source: Press Release
Primary Source Date: 3/15/23
Primary Source: 6-K Filing
Transaction Docs Processing: No Docs to Process

Post-Closing % Change in Stock Price

Change	% Change
Closing Date (3/14/23):	--
After 30 Days:	n/a
After 90 Days:	n/a
After 6 Months:	n/a
After 1 Year:	n/a
After 2 Years:	n/a

Note: Only available for placements with Status = **Closed**

Investment Terms

Securities: Convertible Senior PIK Notes
Issuance Amount: \$291,000,000
Term: 5 Years, 6 Months
Number of Securities: 300,000
Face Amount Per Security: \$1,000.0000
Price Per Security: \$970.0000
Coupon: 9.25% per annum, payable semi-annually in cash or, at Issuer's option, by capitalization to the principal amount (PIK Interest)
Maturity: September 14, 2028
Fixed Conversion Price: None
Reset Conversion Price: [Nominal Conversion Price]

Face Amount (i.e., principal amount) of the Notes is convertible into Issuer's American Depositary Shares (ADSs), or, with respect to Notes designated "Swedish Notes," Issuer's Ordinary Shares, at an Initial Conversion Price equal to US\$2.4102 per share (subject to Resets and Anti-Dilution Protection).

Therefore, each US\$1,000 in Face Amount of Notes is initially convertible into 414.9 of Issuer's ADSs (or, as applicable, Ordinary Shares) (subject to Resets).

[Effective Conversion Price]

Since the Notes are being issued at a discount to the Face Amount of US\$970 per US\$1,000 in Face Amount, the Initial EFFECTIVE Conversion Price of the Notes is approximately US\$2.3379 per ADS/share (subject Resets and Anti-Dilution Protection).

[Downward Resets]

If the average of the daily volume-weighted average prices of Issuer's ADSs over the 30 trading days immediately prior to the 1-year anniversary of the Closing Date (each, a "First Reset Date") is less than approximately 85.47% of the then current Nominal Conversion Price, the Nominal Conversion Price will be REDUCED to equal 117.0% of the average of the daily volume-weighted average prices of Issuer's ADSs over the 30 trading days immediately prior the First Reset Date, subject to a Soft Floor Price.

In addition, if the average of the daily volume-weighted average prices of Issuer's ADSs over the 30 trading days immediately prior to the 2-year anniversary of the Closing Date (each, a "Second Reset Date") is less than approximately 85.47% of the then current Nominal Conversion Price (as previously adjusted, if applicable), the Nominal Conversion Price will be REDUCED (or further reduced) to equal 117.0% of the average of the the average of the daily volume-weighted average prices of Issuer's ADSs over the 30 trading days immediately prior the Second Reset Date, subject to a Hard Floor Price.

Based on the Original Issue Discount (3.0%), upon any applicable adjustment pursuant to these Reset Conversion Price provisions, the EFFECTIVE Conversion Price will be adjusted to equal 113.49% of the average of the daily volume-weighted average prices of Issuer's ADSs over the 30 trading days immediately

prior to the applicable Reset Date.

[Make-Whole Payment]

Upon any conversion exercised by a Holder, the Issuer will be required to pay such converting Holder a Make-Whole Amount equal to the amount of interest that would have accrued on the Notes from the date of conversion through the Maturity Date by adding such amount to the principal amount to be converted.

* Required Common Stock-in-lieu-of-Cash Make-Whole Payment *

Since the Make-Whole Amount will be required to be included in the amount that is converted into Common Stock, such Make-Whole Amount will always be paid through the issuance of Common Stock valued at the then current Nominal Conversion Price.

Variable Conversion Price:

None

Anti-Dilution Protection:

[Anti-Dilution Protection]

If the Issuer issues any securities, except certain permitted issuances, at a per share price (or equivalent for convertible securities) which is LESS THAN the 95.0% of then current Market Price, the Issuer is required to adjust the then current Nominal Conversion Price LOWER in accordance with pre-negotiated terms (full details not yet disclosed).

Hard Floor Price:

In no event may the Nominal Conversion Price be reduced below US\$1.36 per share at the time of the Second Reset Date (reflecting a minimum Effective Conversion Price of US\$1.3192 per share).

Soft Floor Price:

On the First Reset Date, the Nominal Conversion Price may not be reduced pursuant to the Reset Conversion Price provisions to lower than US\$1.83 per share (reflecting an initial minimum Effective Conversion Price of US\$1.7751 per share).

Such Conversion Price may be subject to further reduction below the initial floor price at the time of the Second Reset Date (see Hard Floor Price).

Investor Warrants:

None

Investor Call Option:

None

Investor Greenshoe:

None

Issuer Put Option:

None

Conversion Restrictions:

Unknown

Selling Restrictions:

Unknown

Hedging Restrictions:

Unknown

Forced Conversion:

Unknown

Investor Purchase Rights:

[Right of Participation]

If, at any time after the Closing Date (and subject to Issuer's prior receipt of requisite Shareholder Approval under Swedish law), the Issuer proposes to issue its ADSs or Ordinary Shares or securities which are convertible into ADSs/Ordinary Shares (except certain permitted issuances), Issuer is required to give each of certain of the Investors (Nativus, Blackstone Funds and Verlinvest) an opportunity to purchase up to a PROPORTIONATE SHARE of the total number of Issuer's securities being offered (on the same terms and at the same price as the proposed issuance) based on the PERCENTAGE OBTAINED by dividing (x) the aggregate number of Ordinary Shares held by each applicable Investor by (y) the aggregate number of Issuer's Ordinary Shares then issued and outstanding.

Investor Redemption:

[Failure to Establish Debt Financing]

In the event the Issuer fails to sign a Term Loan B Credit Agreement (pursuant to Commitment Letters executed on 3/15/23) prior to the date that is 20 business days following the consummation of the Initial Closing, the Issuer will be REQUIRED to redeem all outstanding Notes (i.e., those Notes issued in the Initial Closing only) at a Redemption Price equal to the GREATER OF (i) 101.0% of the aggregate principal amount of such Notes AND (ii) the fair market value (as determined in accordance with the Indenture) of the Notes plus accrued and unpaid interest thereon.

[Asset Sales]

In the event the Issuer or any of certain specified subsidiaries receives net proceeds from the sale or disposition of assets comprising substantially all of Issuer's operations in one of its 5 largest countries or regional groupings, the Holder(s) may require the Issuer to apply any such proceeds (not otherwise used for the repayment of pari passu debt liabilities) toward the repurchase (redemption) of the Notes at a Repurchase Price equal to the GREATER OF (i) 100.0% of the principal amount to be repurchased plus accrued and unpaid interest thereon AND a Make-Whole Amount equal to the amount of interest that would have been payable on the Notes from the date of repurchase through the Maturity Date AND (ii) the aggregate valuation of the Common Stock issuable upon conversion of the Notes subject to repurchase (full details not yet disclosed).

[Fundamental Change]

Upon the occurrence of a Fundamental Change with respect to the Issuer (including various Change of Control transactions), the Holders MAY REQUIRE the Issuer to repurchase (redeem) the Notes at a Repurchase Price equal to the GREATER OF (i) 100.0% of the principal amount to be repurchased plus accrued and unpaid interest thereon AND a Make-Whole Amount equal to the amount of interest that would have been payable on the Notes from the date of repurchase through the Maturity Date AND (ii) the aggregate valuation of the Common Stock issuable upon conversion of the Notes subject to repurchase (full details not yet disclosed).

[Events of Default]

Upon the occurrence of an Event of Default, the Holders MAY DECLARE the Notes and all accrued and unpaid interest thereon immediately due and payable by the Issuer.

Issuer Redemption:

[Tax Matters]

Upon the occurrence of certain "tax-related events" (as quoted from the 8-K of 3/15/23), the Issuer will have the right to redeem all (but not less than all) of the Notes at a Redemption Price equal to 100.0% of the principal amount outstanding plus accrued and unpaid interest thereon.

Additionally, upon the occurrence of CERTAIN SPECIFIED Events of Default (such as, bankruptcy, insolvency or reorganization), the principal amount of the Notes and all accrued and unpaid interest will AUTOMATICALLY become immediately due and payable.

Registration Rights:

Unknown

Use of Proceeds:

Working capital and other general corporate purposes

Placement Metrics

Issuance Amount (as % of Market Cap):	24.6%
Conversion Price (as % of Stock Price):	As of Announcement of Offering / Definitive Agreements / Pricing (x/x/x):
	As of Announcement of Closing (x/x/x):
Warrant Coverage (based on common stock equivalents):	0.0%
Warrant Exercise Price (as % of Stock Price):	Not Applicable

Issuer Metrics

Equity Market Capitalization (day prior to Closing/Announced Date):	\$1,183,554,002
Closing Stock Price (day prior to Closing/Announced Date):	\$2.0000
Average Daily Trading Volume (30-day average prior to C/A Date):	3,198,630

Investors

Investment Managers	Investment Funds	Investment Size
Blackstone Inc. (f/k/a The Blackstone Group Inc.)	BXG Redhawk S.a r.l.	Unknown
Blackstone Inc. (f/k/a The Blackstone Group Inc.)	BXG SPV ESC (CYM) L.P.	Unknown
Verlinvest SA	Verlinvest SA	Unknown
Verlinvest SA	Nativus Company Limited	Unknown

Placement Agents

Placement Agents:	J.P. Morgan Chase & Co. (J.P. Morgan Securities LLC; J.P. Morgan Securities Canada Inc.) Nordea Bank Norge ASA (Nordea Markets) Rabobank Group (Rabo Securities USA Inc) BNP Paribas SA
Placement Agents: Cash Fees	Unknown
Placement Agents: non-Cash Fees	Unknown

Legal Counsel

Investor Legal Counsel:	Unknown
Issuer Legal Counsel:	White & Case LLP
Placement Agent Legal Counsel:	Unknown

Miscellaneous Notes

Full transaction details/documents not yet disclosed.

In a press release dated 3/15/23, Issuer announced that it has entered into Definitive Agreements for a private placement in which it will issue and sell US\$300.0 million in aggregate principal amount of Convertible Senior PIK Notes for US\$293.0 million in gross proceeds (i.e., the Notes are being issued at an ORIGINAL ISSUE DISCOUNT to the Face Amount).

**** NOTE THAT** the press release of 3/15/23 indicates that the Notes are being issued in "two tranches," one pursuant to a Subscription Agreement providing for the sale of approximately US\$200 million of "Swedish Notes" to Swedish Investors [or, presumably, Investors who are agreeing to be governed by Swedish regulatory considerations] and another pursuant to Investment Agreements providing for the sale of approximately US\$100 million of "U.S. Notes" to U.S. Investors; **HOWEVER**, the press release indicates that the 2 tranches of Notes will have "substantially identical economic terms," and so the sale of the Notes is deemed to constitute a SINGLE private placement.******

In its 6-K filing dated 3/15/23, Issuer disclosed that Definitive Agreements for the purchase of the various Notes were entered into on 3/14/23.

[Multiple Closings]

According to the 3/15/23 press release, the private placement will be completed in 2 SEPARATE Closings, with U.S. Notes being issued in the short term and Swedish Notes being issued in a Final Closing following the satisfaction of a specified condition (as described below).

* Initial Closing *

According to the 3/15/23 press release, Issuer expects the purchase and sale of the U.S. Notes in principal amount of US\$100 million (presumably for approximately US\$97 million in gross proceeds) to occur in what amounts to an Initial Closing no later than 3/23/23.

Proceeds from the sale of such Notes will be deposited into an escrow account and will only be released following the consummation of the Final Closing.

According to the 6-K of 3/15/23, the Initial Closing will involve the issuance and sale of approximately US\$99.9 million in aggregate principal amount of Notes for US\$96.9 million in gross proceeds.

* Final Closing *

According to the 3/15/23 press release, sale of the aggregate US\$200 million in Swedish Notes (presumably for US\$194 million in gross proceeds) is to occur in what amounts to a Final Closing to occur within 30 business days and is conditioned upon Issuer's signing of a Term Loan B Credit Agreement and various other customary conditions.

According to the 6-K of 3/15/23, the Final Closing will involve the sale of approximately US\$200.1 million in aggregate principal amount of Notes for US\$194.1 million in gross proceeds and is to occur no later than 20 business days following the Initial Closing.

[Escrow]

According to the 3/15/23 press release, all proceeds received in connection with the sale of U.S. Notes in the Initial Closing will be deposited into an "escrow account" and will be released to the Issuer only following the completion of the Final Closing.

If the Issuer fails to enter into a sign a Term Loan B Credit Agreement within 20 business days following the Initial Closing (and, therefore, fails to complete the Final Closing), the escrowed proceeds will be used to redeem all of the Notes issued in the Initial Closing.

[Investors]

According to the 3/15/23 press release, agreements for the purchase of the Notes were entered into with certain of Issuer's existing Stockholders, including Nativus, Verlinvest and funds affiliated with Blackstone Inc., as well as other "institutional investors."

[Shareholder Approval]

According to the 6-K of 3/15/23, Issuer has agreed to use commercially reasonable efforts to obtain Shareholder Approval for the grant of the Right of Participation to certain of the existing Investors participating in this private placement (Nativus, Blackstone Funds and Verlinvest) in accordance with Swedish law (which will involve obtaining approval of holders of 66.7% of Issuer's Ordinary Shares present in person or by proxy at the applicable Stockholders Meeting).

[ADR/ADS Ratio]

Issuer's Ordinary Shares are traded in the U.S. as American Depositary Receipts (ADRs), which represent American Depositary Shares (ADSs) on deposit with a Depositary Bank (1 ADR/ADS = 1 Ordinary Share).

[Currency Exchange Rate]

Monetary figures for this transaction were disclosed in US Dollars.

[Related Financing Matters]

According to the 3/15/23 press release, Issuer has entered into Commitment Letters to (i) amend its existing Sustainable Revolving Credit Facility Agreement and (ii)

provide for a US\$125.0 million Term Loan B Credit Facility commitment.

Each Commitment Letter will be valid for 60 days after the date of the Letters and are subject to execution of satisfactory long-form documentation and various conditions precedent.

* Amendment of Revolving Credit Facility *

According to the 3/15/23 press release, the Commitment Letter related to the existing Sustainable Revolving Credit Facility Agreement provides for the renewal of such Facility on a secured and guaranteed basis for a 3.5-year period, including commitments of SEK 2.1 billion together with an uncommitted incremental revolving facility option of up to SEK 500.0 million, an initial margin of 4.0% per annum and a reset of financial covenants.

* Term Loan B Credit Facility *

According to the 3/15/23 press release, the Commitment Letter related to the establishment of a US\$125.0 million Term Loan B Credit Facility was entered into with Silver Point Capital, L.P. and provides for a Facility having a Term of 5 years, an "initial margin" of 7.5% per annum for "SOFR loans" and 6.5% per annum for "base rate loans (with reference rate floors," certain financial covenants aligned with those of the amended Sustainable Revolving Credit Facility and certain customary negative covenants.

Transaction Documents

Primary Source	6-K Filing
Primary Source Date:	3/15/23
Transaction Docs Processing	No Docs to Process
SEC Filing (Summary):	6-K of 3/15/23
SEC Filing (Exhibit Index):	-
Purchase/Subscription Agreement:	-
Registration Rights:	-
CD/AOI/Note/Debenture:	-
Warrant:	-
Misc. Documents:	-
Regulatory Filing (Press Release):	6-K of 3/15/23 (Ex. 99.1)
Registration Statement:	-