NOT FOR DISTRIBUTION IN OR INTO THE UNITED STATES OR ITS TERRITORIES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS OR OTHERWISE THAN TO PERSONS TO WHOM IT CAN LAWFULLY BE DISTRIBUTED

IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing. The following applies to the following offering circular (the "**Offering Circular**"). You must read this disclaimer carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

THE OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES TO PERSONS THAT ARE NOT U.S. PERSONS, AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. SUCH SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS THEY ARE REGISTERED UNDER THE SECURITIES ACT OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE.

Confirmation of your Representation: In order to be eligible to view the Offering Circular or make an investment decision with respect to the notes described therein (the "**Notes**"), you must not be in the United States or be, or be acting on behalf of, a U.S. person (within the meaning of Regulation S under the Securities Act). By accessing the Offering Circular, you shall be deemed to have represented to Hoist Finance AB (publ) (the "**Issuer**"), Citigroup Global Markets Limited and Nordea Bank Abp (together with Citigroup Global Markets Limited, the "**Joint Lead Managers**") that:

(i) you are outside the United States and are not a U.S. person, as defined in Regulation S under the Securities Act, nor acting on behalf of a U.S. person and, to the extent you purchase any Notes you will be doing so pursuant to Regulation S under the Securities Act;

(ii) the electronic mail address to which the Offering Circular has been delivered is not located in the United States of America, its territories and its possessions; and

(iii) you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Issuer, the Joint Lead Managers and their respective affiliates, directors, officers, employees, representatives and agents or any other person controlling any of the foregoing accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version available to you upon request from the Issuer.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular, electronically or otherwise, to any other person. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to ensure that it is free from viruses and other items of a destructive nature. Any materials relating to the potential offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any Joint Lead Manager or any affiliate of such Joint Lead Manager is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by such Joint Lead Manager or such affiliate, as the case may be, on behalf of the Issuer in such jurisdiction.

Under no circumstances shall the Offering Circular constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction in which such offer or solicitation would be unlawful. No action has been or will be taken in any jurisdiction by the Issuer or the Joint Lead Managers that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Offering Circular or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

Recipients of the Offering Circular who intend to subscribe for or purchase any Notes are reminded that any subscription or purchase may only be made on the basis of the information contained in the Offering Circular in final form.

Restrictions on marketing and sales to retail investors

The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions (including the United Kingdom), regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

In particular, in June 2015, the United Kingdom Financial Conduct Authority (the "**FCA**") published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "**PI Instrument**").

In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the "**PRIIPs Regulation**") became directly applicable in all European Economic Area ("**EEA**") member states and (ii) the Markets in Financial Instruments Directive 2014/65/EU (as amended) ("**MiFID II**") was required to be implemented in EEA member states by 3 January 2018. For these purposes, references to the EEA includes the United Kingdom. Together, the PI Instrument, the PRIIPs Regulation and MiFID II are referred to as the "**Regulations**".

The Regulations set out various obligations in relation to (i) the manufacturing and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Notes.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the Regulations.

Each of the Issuer and the Joint Lead Managers is required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest in such Notes) from the Issuer and/or any Joint Lead Manager, each prospective investor will thereby represent, warrant, agree with and undertake to the Issuer and the Joint Lead Managers that:

(i) it is not a retail client (as defined in MiFID II);

(ii) whether or not it is subject to the Regulations, it will not:

  a. sell or offer the Notes (or any beneficial interest therein) to retail clients (as defined in MiFID II); or

  b. communicate (including the distribution of the Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to, or disseminated in such a way that it is likely to be received by, a retail client (as defined in MiFID II). In selling or offering Notes or making or approving communications relating to the Notes, it may not rely on the limited exemptions set out in the PI Instrument; and

(iii) it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA (which includes, for this purpose, the United Kingdom)) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each prospective investor further acknowledges that:

(i) the identified target market for the Notes (for the purposes of the product governance obligations in MiFID II) is eligible counterparties and professional clients; and

(ii) no key information document (KID) under the PRIIPs Regulation has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA (which includes, for this purpose, the United Kingdom) may be unlawful under the PRIIPs Regulation.

Each potential investor should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interests therein) from the Issuer and/or any Joint Lead Manager, the foregoing representations, warranties, agreements and undertakings will be given by and be binding on both the agent and its underlying client(s).

OFFERING CIRCULAR dated 24 February 2020

HOIST FINANCE AB (publ)

(*incorporated with limited liability in Sweden*)

€40,000,000
Fixed Rate Reset Perpetual Additional Tier 1 Capital Notes

Issue Price: 100.00 per cent.

The €40,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Capital Notes (the "**Notes**") will constitute undated, unsecured and subordinated obligations of Hoist Finance AB (publ) (the "**Issuer**"), a public limited liability company organised under the laws of the Kingdom of Sweden ("**Sweden**"), and will be issued on the Terms and Conditions of the Notes set out herein (the "**Conditions**", and references to a numbered Condition shall be construed accordingly).

The Notes will be denominated in euro and will bear interest on their Outstanding Principal Amount from time to time from (and including) 26 February 2020 (the "**Issue Date**") to (but excluding) 26 February 2025 (the "**First Call Date**") at a fixed rate of 7.750 per cent. per annum and thereafter at a fixed rate of interest which will be reset on the First Call Date and on each fifth anniversary of the First Call Date thereafter. Interest will be payable annually in arrear on 26 February in each year from (and including) 26 February 2021 (each an "**Interest Payment Date**"), provided that any payment of interest may be cancelled, in whole or in part, in the sole and absolute discretion of the Issuer, and shall be cancelled (in whole or in part, as applicable): (i) in the circumstances described in Condition 6 (*Interest Cancellation*); (ii) if and to the extent that payment of such interest would result in a breach of the Solvency Condition as defined in Condition 4.3 (*Solvency Condition*); and/or (iii) following the occurrence of a Trigger Event (as further described in Condition 7 (*Loss Absorption Following a Trigger Event*)). Interest which has been cancelled in accordance with the Conditions will not accumulate, and holders of the Notes will not at any time be entitled to any such cancelled interest.

If at any time the CET1 Ratio of the Issuer and/or the Group (as defined herein) falls below 5.125 per cent., the Outstanding Principal Amount of the Notes will be Written Down by the Write-Down Amount, as further provided in Condition 7 (*Loss Absorption Following a Trigger Event*), see "*Risk Factor – Upon the occurrence of a Trigger Event, the principal amount of the Notes will be Written Down*". The Outstanding Principal Amount may, in the sole and absolute discretion of the Issuer and subject to certain conditions, be subsequently reinstated (in whole or in part) out of the profits generated by the Issuer or the Group, as further described in Condition 8 (*Discretionary Reinstatement of the Notes*).

The principal amount of the Notes may also, in certain circumstances, be written down or converted to common equity tier 1 instruments pursuant to the Bank Recovery and Resolution Directive (as defined herein), see "*Risk Factors – The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of the Notes.*".

The Notes will be perpetual with no fixed maturity date. The Issuer may, in its sole discretion but subject to the approval of the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "**Swedish FSA**") and to compliance with the conditions set out herein and with Applicable Banking Regulations, elect to redeem the Notes (in whole but not in part) (i) on the First Call Date or any Interest Payment Date thereafter or (ii) at any time following the occurrence of a Tax Event or a Capital Event (each as defined in the Conditions). In any such case, the Notes will be redeemed at their Redemption Amount.

If at any time a Tax Event or a Capital Event occurs and is continuing, the Issuer may, instead of redeeming the Notes as aforesaid, subject to the approval of the Swedish FSA and to compliance with Applicable Banking Regulations, elect in its sole discretion either to substitute all (but not some only) of the Notes for, or to vary the terms of the Notes provided that they remain or become, Qualifying Additional Tier 1 Notes (having terms not materially less favourable to a holder than the terms of the Notes, as reasonably determined by the Issuer).

Investing in the Notes involves significant risks. Please review carefully the section entitled "*Risk Factors*" in this Offering Circular.

Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for the approval of this Offering Circular as listing particulars (the "**Listing Particulars**") and for the Notes to be admitted to the official list of Euronext Dublin (the "**Official List**") and admitted to trading on the Global Exchange Market, which is the exchange-regulated market of Euronext Dublin. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended) ("**MiFID II**"). This Offering Circular constitutes the Listing Particulars in respect of the admission of the Notes to the Official List and to trading on the Global Exchange Market and does not constitute a "prospectus" for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). For a description of these and certain further restrictions on offers, sales and transfers of the Notes and distribution of this Offering Circular, see "*Subscription and Sale*".

The Notes are not intended to be sold and should not be sold to retail clients, as defined in MiFID II. Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*" on page 3 of this Offering Circular for further information.

The Notes will be issued in registered form in the denominations of €200,000 and integral multiples of €1,000 in excess thereof. The Notes will initially be represented by a global Note certificate (the "**Global Certificate**") which will be deposited on or about the Issue Date with a common depositary and registered in the name of a nominee of a common depositary for Euroclear Bank SA/NV and Clearstream Banking S.A..

The Notes will be unrated upon issue and the Issuer does not intend to solicit a rating in respect of the Notes. The Issuer has been rated "Baa3" in respect of long-term unsubordinated debt and "P-3" in respect of short-term debt by Moody's Investors Services, Inc. ("**Moody's**"). Moody's is not established in the European Union (which includes, for this purpose, the United Kingdom) but its ratings are endorsed by Moody's Investors Services Limited which is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Joint Lead Managers

Citigroup	**Nordea**

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information in this Offering Circular has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third-party information is identified where used.

This Offering Circular is to be read in conjunction with all the documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated in and form part of this Offering Circular and references herein to "this Offering Circular" shall be construed accordingly.

No person other than the Issuer has separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Notes or their distribution.

No person has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representations other than those contained in this Offering Circular and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers.

Neither this Offering Circular nor any other information supplied in connection with the Notes (i) is intended to provide the basis of any credit or other evaluation nor (ii) should be considered as a recommendation or as constituting an invitation or offer by the Issuer or the Joint Lead Managers that any recipient of this Offering Circular or any other information supplied in connection with the Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Notes constitutes an offer by or on behalf of the Issuer or the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuer or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. Neither the Issuer nor any Joint Lead Manager undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the Notes for the benefit of any investor in the Notes. Prospective investors should review, *inter alia*, the documents deemed to be incorporated herein by reference when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of the Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the United Kingdom, Sweden and Japan. For a further description of certain restrictions on offers and sales of the Notes and on the distribution of this Offering Circular, see "*Subscription and Sale*".

RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS

The Notes are complex financial instruments and are not a suitable or appropriate investment for all investors. In some jurisdictions, including the United Kingdom, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors.

In particular, in June 2015, the UK Financial Conduct Authority published the Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015, which took effect from 1 October 2015 (the "**PI Instrument**").

In addition, (i) on 1 January 2018, the provisions of Regulation (EU) No. 1286/2014 on key information documents for packaged and retail and insurance-based investment products (the "**PRIIPs Regulation**") became directly applicable in all European Economic Area (the "**EEA**") member states and (ii) MiFID II was required to be implemented in EEA member states by 3 January 2018. For these purposes, references to the EEA includes the United Kingdom. Together, the PI Instrument, the PRIIPs Regulation and MiFID II are referred to as the "**Regulations**".

The Regulations set out various obligations in relation to (i) the manufacturing and distribution of financial instruments and (ii) the offering, sale and distribution of packaged retail and insurance-based investment products and certain contingent write down or convertible securities, such as the Notes.

Potential investors should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein), including the Regulations.

Each of the Issuer and Joint Lead Managers is required to comply with some or all of the Regulations. By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest therein) from the Issuer and/or any Joint Lead Manager, each prospective investor represents, warrants, agrees with, and undertakes to, the Issuer and the Joint Lead Managers that:

1. it is not a retail client (as defined in MiFID II);
2. whether or not it is subject to the Regulations, it will not:
   (A) sell or offer the Notes (or any beneficial interest therein) to retail clients (as defined in MiFID II); or
   (B) communicate (including the distribution of this Offering Circular) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client (as defined in MiFID II). In selling or offering Notes or making or approving communications relating to the Notes, it may not rely on the limited exemptions set out in the PI Instrument; and
3. it will at all times comply with all applicable laws, regulations and regulatory guidance (whether inside or outside the EEA (which includes, for this purpose, the United Kingdom)) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interests therein), including (without limitation) MiFID II and any other applicable laws, regulations and regulatory guidance relating to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interests therein) by investors in any relevant jurisdiction.

Each potential investor should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interest therein) from the Issuer and/or any Joint Lead Manager, the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

Prohibition of sales to EEA and UK retail investors - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA or in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined

in the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II product governance / Professional investors and eligible counterparties (ECPs) only target market - Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's/s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

SUITABILITY OF INVESTMENT

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets;

(iv) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where euro (the currency for principal and interest payments) is different from the potential investor's currency; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

The Notes may be considered by eligible investors who are in a position to give the above representations, warranties and undertakings and to be able to satisfy themselves that the Notes would constitute an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor’s overall investment portfolio.

Websites

In this Offering Circular, references to websites or uniform resource locators (“**URLs**”) are (save for references to the documents incorporated by reference herein) inactive textual references and are included for information purposes only. The contents of any such website or URL shall (save for any part thereof expressly incorporated by reference herein) not form part of, or be deemed to be incorporated into, this Offering Circular.

Definitions, interpretation and rounding

In this Offering Circular, references to:

- the “**Group**” are to the Issuer and its subsidiaries as a whole;
- “**SEK**” and “**Swedish Krona**” are to the currency of Sweden;
- the “**Swedish FSA**” are to the Swedish Financial Supervisory Authority (*Finansinspektionen*) or such other governmental authority in Sweden (or, if the Issuer becomes subject to primary prudential supervision in a

jurisdiction other than Sweden, in such other jurisdiction) having primary prudential supervisory authority with respect to the Issuer; and

- the "**Conditions**" are to the Terms and Conditions of the Notes (and reference to a numbered Condition shall be construed accordingly).

The language of this Offering Circular is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Certain figures included in this Offering Circular may have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Certain key financial performance indicators and other non-financial operating data included in this Offering Circular are derived from management estimates, are not part of the Group's financial statements or financial accounting records, and have not been audited by external auditors, consultants or experts. The Group's use or computation of these terms may not be comparable to the use or computation of similarly titled measures reported by other companies. Any or all of these terms should not be considered in isolation or as an alternative measure of performance under IFRS.

STABILISATION

In connection with the issue of the Notes, Citigroup Global Markets Limited as the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains forward-looking statements, which reflect the current expectation of the Issuer's management with respect to future events, financial and operating performance and future market conditions. Words such as "believe", "anticipate", "expect", "aim", "project", "expect", "intend", "predict", "target", "may", "might", "assume", "could", "will" and "should" or other variations or comparable terminology are intended to identify forward-looking statements. Forward-looking statements appear in a number of places in this Offering Circular including, without limitation, the documents referred to in "*Documents Incorporated by Reference*", "*Risk Factors*" and "*Description of the Issuer and the Group*". These forward-looking statements may address matters such as:

- the Issuer's and the Group's business strategy and financial targets;
- performance of the financial markets;
- future prospects of the Issuer and the Group such as growth prospects, cost development under the cost programme and future write-downs on loans; and
- future exposure to credit, market, liquidity and other risks.

By their nature, forward-looking statements involve risk and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. While the Issuer has prepared these forward-looking statements in good faith and on the basis of assumptions it believes to be reasonable, any such forward-looking statements are not guarantees or warranties of future performance. The Issuer's and/or the

Group's actual financial condition, results of operation and cash flows, and the development of the markets in which it operates, may differ materially from those expressed or implied in the forward-looking statements contained in this Offering Circular.

TABLE OF CONTENTS

Clause **Page**

Risk Factors 9

Documents Incorporated by Reference 47

Overview of the Notes 48

Terms and Conditions of the Notes 56

Summary of the Notes in Global Form 84

Use of Proceeds 87

Description of the Issuer and the Group 88

Taxation 108

Subscription and Sale 110

General Information 112

RISK FACTORS

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Offering Circular a number of factors which could materially adversely affect its business and ability to make payments due under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Notes are described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with the Notes for other reasons which may not be considered significant risks by the Issuer based on information currently available to it and which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular, including the information incorporated by reference herein, and reach their own views prior to making any investment decision.

Capitalised terms used and not otherwise defined in this section have the meanings given to such terms in "Terms and Conditions of the Notes" or on page 56 of this Offering Circular.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE NOTES

Risks relating to the Issuer as a separate entity

The Issuer is the parent company of the Group. A large part of the Issuer's business is conducted through its subsidiaries, on which the Issuer, as a consequence thereof, is dependent. The risk factors mentioned in this Offering Circular and described as being relevant for the Group are thus relevant also for the Issuer as a separate entity.

Risks relating to the Group's Industry and Business

General business, economic and market conditions affect the Group's business.

The Group is affected by general business, economic and market conditions, especially in the markets in which the Group operates. Uncertainties remain concerning the outlook and the future economic environment related to recent events in Europe, such as a continuing weak economic outlook in certain European countries and the uncertainty surrounding the economic effect of the United Kingdom withdrawing its membership from the European Union (commonly referred to as "**Brexit**"). Under the terms of the ratified EU-UK Article 50 withdrawal agreement (the "**Article 50 Withdrawal Agreement**"), a transition period has now commenced which is scheduled to expire on 31 December 2020. During the transition period, the United Kingdom and the European Union may not reach agreement on the future relationship between them, or may reach a significantly narrower agreement than that envisaged by the political declaration of the European Commission and the United Kingdom Government. With the details of the United Kingdom's future relationship with the European Union still unclear, and uncertainty over trade arrangements, market access and legislative and regulatory frameworks, it is not possible to evaluate the impact the United Kingdom's exit may have on European economies and financial markets. A sharp economic downturn as a result of Brexit would most likely impact the Group's collections on current portfolios.

Furthermore, political uncertainty related to the impact of the United States' presidential administration, including on free trade agreements between the United States and other countries, could have a negative impact on the Group's business and earnings.

If the economies of the Group's principal markets suffer a material downturn for a prolonged period of time that, in turn, increases the unemployment rate, the Group companies may be unable to perform debt collections at a level consistent with their past practice due to the inability of customers to make payments at the same levels or at all. In addition, should the level of inflation increase, the real-term carrying value of the Group's debt portfolios may decrease.

An improvement in the economic conditions in the markets in which the Group operates could impact its business and performance in various ways, including decreasing the volume of debt portfolios that are available for purchase, reducing the number of attractive portfolio opportunities, increasing the competitiveness of the pricing for portfolios that the Group have purchased and increasing interest rate levels affecting the Group's cost of funding. There can be no assurances that the Group's business and results of operations will develop positively in a changing economic environment or that the economic environment will be favourable to the Group's business model or industry.

Any of the above-mentioned developments could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group companies may not be able to collect the expected amounts on portfolios purchased.

The Group's assets mainly consist of portfolios of purchased debt. When purchasing portfolios, the Group makes assumptions on the gross collections and collection costs. The net present value of expected gross collections is reflected in the balance sheet carrying value of the portfolios. A decrease or delay of the expected gross collections would result in write-downs of the portfolios, directly impacting the Group's equity, capital adequacy and results of operations. Further, higher collection costs than projected at the times of purchasing portfolios will have a negative impact on the financial results of operations.

There can be no assurances that any of the current or future claims contained in the Group's portfolios will eventually be collected. Amounts recovered may be less than expected and may even be less than the total amount paid for such portfolios. If the Group is unable to achieve the levels of forecasted collections, revenue and returns on its purchased portfolios will be reduced, which may result in write-downs and have a negative effect on the Group's capital adequacy. As a consequence, the Group may have to pay a higher interest rate to finance its operations and the regulatory requirements to maintain a certain capital adequacy could hinder further business expansion, which could have a negative effect on the Group's ability to purchase additional portfolios. Any significant decrease in expected collections may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group recovers on claims that may become subject to insolvency procedures under applicable laws and the Group also purchases portfolios containing claims that are currently subject to insolvency proceedings. Various economic trends, in particular downward macroeconomic factors such as those experienced during the financial crisis of 2008, and potential changes to existing legislation may contribute to an increase in the number of customers subject to personal insolvency procedures. The majority of the portfolios that the Group purchases are unsecured and the Group is generally unable to collect on such portfolios in an insolvency procedure.

In certain of the Group's markets, a debtor may have a right to set-off a claim that it has against the counterparty seeking to enforce a debt against the debtor. As a result of such set-off, a purchased claim may, partially or fully, be extinguished. After assignment of a purchased claim to a Group company and notification thereof to one of the Group's customers, such customer may also have set-off rights vis-à-vis the relevant Group company.

The Group acquires, in selected markets, portfolios with loans that are secured by residential and commercial real estate. Around 15 per cent (including performing mortgage loans) of the Group's total assets are secured loans. The Group is exposed to the fluctuation of the value of the collateral of such loans.

The transfer of ownership of purchased claims may require certain assignment procedures. Should the transfer of a claim not meet applicable requirements, legal title to the relevant claim will not pass to the Group company, which may result in the loss of such claim. The Group's ability to successfully collect on portfolios may decline or the timing of when the Group collects on portfolios may be delayed with an increase in personal insolvency procedures, if customers have set-off rights related to the collected claims or if the Group fails to comply with applicable transfer requirements, which in turn could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to credit risks of counterparties in a number of different ways.

Collected deposits, which form a large part of the Group's liquidity, are deposited with a limited number of European commercial banks. These amounts are well in excess of any government guaranteed deposit guarantee, which exposes the Group to the risk that one or more of such institutions would not be able to meet its obligations under these deposits, for example in the event of a bank run or banking crisis. The Group also invests surplus liquidity in interest bearing securities, resulting in counterparty risk on the issuers of such securities. For example, the Group is subject to the risk that changes in credit spreads (i.e., the premium required by the market for a given credit quality), e.g., due to the credit outlook of a specific bond issuer, will affect the value of these bonds.

Further, the Group is exposed to credit risk from hedging activities conducted with credit institutions. Daily marked-to-market valuation of the Group's derivatives can result in counterparty exposure toward the specific credit institutions. Both the Group and the specific credit institution provide collateral daily to account for this risk. In cases of significant fluctuations, the Group may have to provide substantial amounts of collateral, which cannot be used for purchasing portfolios and may cause a negative impact on the Group's operations. If one or more of the abovementioned risks materialises, it could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group may not be able to purchase portfolios at appropriate prices or of sufficient quality or volumes.

The Group's long-term business model requires that the Group continues to purchase debt portfolios. The availability of portfolios to purchase at prices that generate an appropriate return depends on a number of factors, such as the continuation of current growth trends in the levels of overdue debt, volumes of portfolio sales by debt originators, in particular the financial institutions that originate most of the Group's portfolios, and competitive factors affecting potential purchasers and debt originators.

The Group relies on key relationships with debt originators to conduct the Group's business. The Group cannot be certain that any of its current debt originator clients will continue to sell debt to the Group on desirable terms or in acceptable quantities. A debt originator's decision to sell debt to the Group is based on various factors, including the price and terms offered, the quality of the Group's reputation and the Group's compliance history. Any changes to the key relationships that the Group relies on could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

If the Group is unable to identify sufficient levels of attractive portfolios and generate an appropriate return on purchased portfolios, the Group may be unable to maintain the cash flow generated from its portfolios, which would adversely affect the Group's ability to purchase additional portfolios as they become available. In addition, the Group may experience difficulties covering its fixed costs and may, as a consequence, have to reduce the number of its collection personnel or take other measures to reduce costs. These developments could lead to disruptions in the Group's operations, loss of efficiency, low employee morale, fewer experienced employees and excess costs associated with unused capacity and floor space in the Group's operating facilities. Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to risks relating to acquisitions.

Acquiring companies and businesses is a part of the Group's growth strategy. Such acquisitions are always exposed to a number of risks and considerable uncertainty with respect to ownership, other rights, assets, liabilities, licences and permits, claims, legal proceedings, restrictions imposed by competition law, financial resources, environmental aspects and other aspects. These risks may be greater, more difficult or more extensive to analyse in certain countries or regions where the Group is or is contemplating to be active than would normally be the case. Furthermore, purchases involve risks due to difficulties in integrating different operations, personnel, technology and information technology. In connection with potential future acquisitions, the Group may incur considerable transaction, restructuring and administrative costs, as well as other integration-related costs and losses (including loss of business opportunities) and acquisitions may also be subject to purchase price adjustments, such as contingency payment arrangements. Any difficulties integrating future acquisitions, including unexpected or additional costs, may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to a risk of failure to pursue strategic goals.

In addition, the Group may not be successful in developing and implementing its strategic plans for the Group's businesses, including operational efficiency, digitalisation and continuing to drive operational scale and excellence across countries. The ability of the Board of Directors and executive management to plan, organise, follow up on and control the operations and to continuously monitor market conditions is important. If the development or implementation of such plans is not successful the Group may not produce the revenue, margins, earnings or synergies that is needed to be successful and to offset the impact of adverse economic conditions that may exist currently or develop in the future. The Group may also face delays or difficulties in implementing process and system improvements, which could adversely affect the Group's ability to successfully compete in the markets it serves. In addition, the costs associated with implementing such plans may exceed anticipated amounts and the Group may not have sufficient financial resources to fund all of the desired or necessary investments required in connection with its plans, including one-time costs associated with the Group's business consolidation and operating improvement plans.

Any of these events may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to reputational risk.

The Group's ability to accurately collect debt and treat customers fairly is critical to its business and its reputation. The Group's reputation is also fundamental in maintaining its relationships with current and potential debt originator clients, being financial institutions. The Issuer's reputation is also essential in the Group's contact with, and for the perception by, regulators. The Group is exposed to the risk that negative publicity may arise from the activities of legislators, pressure groups and the media, on the basis of, for example, real or perceived abusive collection practices, attributable either to the Group, third-party collection providers the Group engages or the wider debt purchasing industry or regarding other conditions within the Group or the Group's business. Negative publicity could cause customers to be more reluctant to pay their debts or to pursue legal action against Group companies, or cause regulators and authorities to form a more negative view, regardless of whether those actions are warranted, all of which could impact the Group's ability to collect on the purchased debt portfolios. In addition, adverse publicity could potentially have a detrimental impact on the Group's business, e.g., by making it more difficult to attract depositors from the public or buying new portfolios. There can be no assurance that the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes would not be adversely affected should unforeseen events relating to reputational risks arise in the future.

The collection of debt, particularly historic debt, involves complex interpretations and calculations of contractual terms that may vary by debt originator and/or country, which may impact the calculation of customers' resulting payment obligations and the collection strategies the Group employs. The Group's processes and procedures are designed to ensure accuracy in the collection processes and the Group reviews

its collection strategies and payment calculations with a goal of ensuring that it applies best practices across the Group's operations. If in these reviews the Group identifies inconsistencies in the collection processes adopted and/or inaccuracies in the payment calculations it has taken, the Group will aim to take reasonable steps to rectify any such issues. Additionally, from time to time, the Group has been subject to claims and inquiries from customers and regulators regarding the Group's collection processes and, in some of these cases, the Group has had to take various operational and organisational actions to address these claims or inquiries. However, any of the foregoing events, or any future instances, in particular if the Group experiences an increase in the number or significance of complaints or inquiries, could result in financial liability for the Group and could jeopardise the Group's relationships with its debt originator clients, its ability to establish new relationships, have a negative impact on a customer's willingness to pay a debt owed to the Group, diminish the Group's attractiveness as a counterparty or lead to increased regulations of the debt purchasing industry, which could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Risks relating to the Group's growth.

During recent years the Group has experienced rapid growth, including geographical expansion and a substantial increase in the number of purchased portfolios, and the Group expects to continue to experience growth, in its operations and number of employees. As a result of the Group's growth, the importance of managing operational risk relating to, for example, work processes, personnel, IT-systems, tax structuring and transfer pricing policies, financial reporting, operational infrastructure and the manner in which the Group addresses customer complaints or regulatory inquiries, has increased and will continue to increase. In addition, the Group has, from time to time, relied on external expertise in certain areas where the Group has not historically had the required competence internally, such as in relation to the Group's tax and transfer pricing framework, and because of the Group's growth the Group may need to increase its internal resources devoted to such areas. Effective internal control over financial reporting is necessary for the Group to provide reliable and accurate financial reports. If the Group is unable to provide reliable financial reports or prevent fraud or other financial misconduct, the Group's business and operating results could be harmed. Effective governance and internal control is also necessary for the Group to maintain an adequate risk management framework. Failure to manage the Group's growth effectively and to maintain effective internal control and financial reporting systems in line with the Group's growth could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

A significant amount of the debt purchased by the Group is originated by financial institutions.

The Group has derived, and has stated that it will continue to derive, a significant portion of its revenue from debt purchased from banks and financial institutions active in the Group's markets. Adverse economic conditions and uncertainties, and any potential resulting failures or consolidations of financial institutions, may adversely affect the Group by significantly reducing the activity of debt originators. For example, the departure, or potential risk of departure, from the euro by one or more eurozone countries, or from the European Union by one or more of its members, could lead to a reduction in market confidence, which could result in constraints on lending in the markets generally, reduced growth and a weakening of financial institutions, all of which could have an adverse effect on collection levels. Additionally, adverse economic conditions could lead to a reduction in the propensity of financial institutions to lend to customers in the markets in which the Group operates, leading to a reduced supply of debt available for sale, as well as negatively affecting customers by reducing disposable income levels or otherwise impairing their ability to fulfil their payment obligations. Any changes in the volume of portfolios originated by financial institutions could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is dependent on its senior management team and key employees.

The Group's future success partially depends on the skills, experience and efforts of its senior management and other key employees and its ability to retain such members of the management team and other key employees. The Group's operations involve highly qualified personnel and the Group's continued ability to

compete effectively and implement the Group's strategy depends on its ability to attract new employees and retain and motivate existing employees. The Group has a number of employees that possess critical knowledge about the Group's operations, including within the Group's pricing and analytics organisation, and an inability to retain these employees could negatively impact the Group's business. The demand in the Group's industry for personnel with the relevant capabilities and experience is high and the Group's success in attracting and retaining employees is not guaranteed. There can be no assurances that the Group will be able to retain its executive officers and key employees or attract additional qualified management or employees in the future. The loss of the services of the Group's senior management or key employees could impair the Group's ability to continue to purchase portfolios or collect on claims and to manage and expand the Group's business, which could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The statistical models and analytical tools the Group uses to value and price portfolios may prove to be inaccurate.

The Group uses internally-developed models to value and price portfolios that are considered for purchase and to project the remaining cash flow generation from the Group's debt portfolios. There can be no assurance that the Group will be able to achieve the recoveries forecasted by the models used to value the portfolios or that those models will not be flawed. Further, there can be no assurances that the models will appropriately identify or assess all material factors and yield correct or accurate forecasts as the Group's historical collection experience may not reflect current or future realities. In addition, there can be no assurances that the Group's investment and analytics teams will not make misjudgements or mistakes when utilising the Group's statistical models and analytical tools.

In addition, the Group's statistical models and analytical tools assess information which to some extent is provided to the Group by third parties, such as credit agencies and other mainstream or public sources, or generated by software products. The Group has only limited control over the accuracy of such information received from third parties. If such information is not accurate, credits may be incorrectly priced at the time of purchase, the recovery value for the Group's portfolios may be calculated inaccurately, the wrong collection strategy may be adopted and lower collection rates or higher operating expenses may be experienced. Moreover, the Group's historical information about portfolios may not be indicative of the characteristics of subsequent portfolios purchased from the same debt originator or within the same industry due to changes in business practices or economic development. Any of these events may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group may not be able to successfully maintain and develop the Group's information technology infrastructure platform or Data Warehouse or anticipate, manage or adopt technological advances within the Group's industry.

The Group relies on its information technology infrastructure platform and, in particular, the Data Warehouse (described under "*Description of the Issuer and the Group – Business areas/segments – Debt purchasing – Data Warehouse and analytical steering*"). This subjects the Group to inherent costs and risks associated with maintaining, upgrading, replacing and changing these systems, including defects in the Group's information technology, substantial capital expenditures and demands on management time.

Information, digital and telecommunications technologies are evolving rapidly and are characterised by short product life cycles. The Group may not be successful in anticipating, managing or adopting technological changes on a timely basis, which could result in additional costs. The cost of improvements could be higher than anticipated or result in management not being able to devote sufficient attention to other areas of the Group's business. The Group depends on having the capital resources necessary to invest in new technologies to purchase and service claims and there can be no assurances that adequate capital resources will be available to the Group at the appropriate time. If the Group becomes unable to continue to acquire, aggregate or use such information and data in the manner or to the extent in which it is currently acquired, aggregated and used, due to lack of resources, regulatory restrictions, including data protection laws, or any other reason, the Group may lose a significant competitive advantage. Any of these events could have a

material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group currently outsources services relating to information technology, selected application development and maintenance to the global technology consulting and digital solutions company, Larsen & Toubro Infotech Limited ("**LTI**"). The Group may during a transition phase, but also after completed transition, be exposed to various disruptions affecting the Group's business and ultimately its collections and revenues. Any changes in regulations related to outsourcing or use of cloud solutions could have a material impact on the agreement with LTI. The Issuer is a Swedish regulated company and LTI is required to adhere to and be compliant with the same regulations as is applicable for the Issuer. Hence, any breach by the Group or LTI of such regulations could lead to, among other things, impaired reputation and/or financial losses for the Group, which in turn could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group may not be able to prevent a breach or disruption of the security of its information technology infrastructure platform or Data Warehouse.

Any security breach or cyber-attack in the Group's information technology infrastructure platform, collection systems or Data Warehouse, or any temporary or permanent failure in these systems, could disrupt the Group's operations. Any of these developments could hinder or prevent the Group from using its information technology infrastructure platform, collection systems or Data Warehouse as part of the Group's business and could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Failure to protect the Group's customer data from unauthorised use could negatively affect the Group's business.

Failure to protect, monitor and control the use of the Group's customer data could cause the Group to lose a competitive advantage. The Group relies on a combination of contractual provisions and confidentiality procedures to protect its customer data and the Group's customer data is stored and protected in its information technology infrastructure platform with access limitations. These measures afford only limited protection and competitors or others may gain access to the Group's customer data. The Group's customer data could be subject to unauthorised use, misappropriation, or disclosure, despite having required the Group's employees, consultants and partners to enter into confidentiality agreements. There can be no assurances that such confidentiality agreements will not be breached or will be of sufficient duration and that adequate remedies will be available in the event of unauthorised use or disclosure.

Policing unauthorised use of such rights can be difficult and expensive and adequate remedies may not be available or available in an acceptable time frame. A failure to protect the Group's customer data from unauthorised use, or to comply with current applicable or future laws or regulations, could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Forward flow agreements may contractually require the Group to purchase debt portfolios at a higher price than desired.

The Group has previously entered, and may in the future enter, into forward flow agreements. Pursuant to forward flow agreements, the Group may agree to buy claims of a certain character at a pre-defined price or price range for a given volume from a debt originator on an on-going basis. If the Group enters into a forward flow agreement and the value of purchased portfolios decreases subsequent to entering into the agreement, the Group may end up paying a higher amount for such portfolios than it would agree at the time of purchase in a spot transaction, which could result in the Group missing out on higher alternative returns. In addition, under some forward flow agreements the Group may only be contractually permitted to terminate such agreements in certain limited circumstances.

In a more competitive environment, the Group could be faced with a decision to either decrease its purchasing volume or agree to forward flow agreements at increased prices or with less contractual protection. For a forward flow agreement to be economically advantageous, the Group must ensure that the nature of claims contained in the portfolios purchased under such agreements remain consistent with those reviewed as part of the due diligence process. When pricing forward flow agreements, the Group generally takes into account potential future fluctuations in the value of the debt that is purchased through such agreements, but the fluctuations in value may exceed the Group's expectations. If the Group is unable to contractually terminate an agreement it may have to accept claims that are of a lower quality than it intended to purchase, which could result in lower returns.

Should the quality of debt supplied under forward flow agreements vary from the Group's pricing assumptions, the Group may price the agreements incorrectly, which may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group may experience volatility in its reported financial results due to the revaluation of its purchased portfolios.

The value of purchased portfolios as recorded on the Group's balance sheet may fluctuate each time management reassesses forecasted cash flows. The Group's forecasted cash flows are based on a number of assumptions, as the projected performance is generated analysing historic forecasts relative to actual gross collections achieved and accounting operational improvements, among other things. These historically observed forecasts are linked to the underlying collection fundamentals applicable at the time, including, among others, general economic conditions, the collections strategy, collections legislation and customer behaviour. Any changes to these assumptions could potentially result in revaluations (meaning a change in the projected cash flow), which would have the effect of changing the value of the portfolios on the Group's balance sheet and lead to the inclusion of a corresponding movement in the Group's consolidated profit and loss account. Book value movements are non-cash movements, but are derived from the aforementioned change to the projected cash flow affecting the Group profit and loss statement. The changed book value and the specific amortisation rate are also non-cash items, but are directly linked to the profit and loss statement in the calculation of interest income. Negative revaluations would also negatively impact the Group's equity and capital adequacy. Any of the foregoing factors could have a negative effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group's purchasing patterns, the seasonality of the Group's business and the varying amount of time it takes to begin generating cash flow from, and returns on, purchased portfolios may lead to volatility in the Group's cash flow.

The Group's business depends on its ability to collect on debt portfolios. Debt collection is to some extent affected by seasonal factors, including the number of work days in a given month, the propensity of customers to take holidays at particular times of the year and annual cycles in disposable income. Furthermore, the Group's debt portfolio purchases are likely to be uneven during the year due to fluctuating supply and demand within the market.

Accordingly, collections of portfolios tend to vary quarter on quarter, while the Group's costs are more evenly spread out over the year, resulting in seasonal variation of the Group's margins and profitability between quarters. This may result in low cash flow at a time when attractive debt portfolios become available. A lack of cash flow or strains on the Group's own funds could prevent the Group from purchasing otherwise desirable debt portfolios or prevent the Group from meeting its obligations under any forward flow agreements the Group may enter into, either of which could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

There is generally a gap between the point in time when the Group purchases a portfolio and the point in time when the Group begin earning returns on the purchased portfolio as the Group do not always have

control over when a deal to purchase a portfolio will close and there is a need to locate customers, build a consolidated profile of each such customer's circumstances and formulate an appropriate repayment solution before the Group can start to collect on a purchased portfolio. In addition, the time it takes to begin earning returns on a purchased portfolio could vary from the Group's initial estimates. As a result, the Group may experience difficulties in projecting cash flows and delays in generating income from purchased portfolios. Any of the foregoing factors could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Historical operating results and quarterly cash collections may not be indicative of future performance.

The Group's future operating results may not reflect past performance. The Group's results of operations and financial condition are dependent on its ability to generate collections from purchased portfolios, which in turn is impacted by the Group's ability to continue to purchase debt portfolios and the ability of customers to pay. The ability of customers to refinance their existing debt could result in the reduction in the volume of portfolios available for purchase. Further, increasing interest rates may impact the ability of customers to pay claims that the Group owns as customers may have other debts that would be impacted by rising interest rates, resulting in an adverse effect in the Group's ability to collect on its purchased debt portfolios. Any of the foregoing factors could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

It can take several years to realise cash returns on the Group's investments in purchased debt portfolios, during which time the Group is exposed to a number of risks in its business.

The Group generally measures its investments based on a projected return, typically for periods of up to 180 months, based on historical and current portfolio collection performance data and trends and assumptions about future debt collection rates. It generally takes the Group several years to realise cash returns equal to this initial investment. During this period, significant changes may occur in the economy, the regulatory environment, the Group's business or markets, which could lead to a reduction in the Group's expected returns or forecasted collection plan, a reduction of which could cause the Group to record an impairment of its purchased debt portfolio, or reduce the value of the debt portfolios that the Group has purchased. Moreover, the calculation of estimated remaining collections, the distribution over time for such collections and the associated collection cost is a key uncertainty within the Group's policies on revenue recognition of purchased portfolios (see "*Description of the Issuer and the Group – Certain Financial Information – ERC*"). The Group can provide no assurances that it will achieve such collections within the specified time periods, or at all. Given the multi-year payback period on substantially all of the Group's purchases, each portfolio purchase exposes the Group to the risk of such changes for a significant period of time, which could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group may be unable to obtain account documents for some of the accounts that it purchases.

When the Group commences enforcement actions through legal proceedings, courts may require a copy of the account statements or credit agreement to be attached to the pleadings in order to obtain a judgement against a particular customer. Where the Group is unable to produce account documents in response to a court's request, that claim would be legally unenforceable. Furthermore, if any of the account documents the Group do have were found to be legally unenforceable, courts may deny the Group's claims. Any changes to laws, regulations or rules that affect the manner in which the Group initiates enforcement proceedings, including rules affecting documentation, could result in increased administration costs or limit the availability of litigation as a collection tool, which could have a material adverse effect on the Group's business and results of operations and the performance by the Issuer of its obligations under the Notes.

Additionally, the Group's ability to collect by means other than legal proceedings may be impacted by laws that require that certain types of account documentation be in the Group's possession prior to the institution of any collection activities, which could also have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to risks associated with performing loans.

A limited part of the Group's portfolios of purchased debt is composed of performing loans which may be secured on residential and commercial real estate. The Group is exposed to the risk that these borrowers may not repay their loans according to their contractual terms and that any collateral securing the payment of these loans may be insufficient. An adverse economic environment or industry or counterparty-specific dynamics affecting the Group's borrowers, such as regulatory changes or rapid market evolution, could result in a deterioration of the Group's performing loans portfolios.

As performing mortgage loans accounted for less than 5 per cent. of the Group's total assets as at 31 December 2019, any material increase in the size of the Group's provisioning for loan losses in the future could be expected to have only limited adverse effect on the Group's overall financial position and results of operations. The Group's provisioning for losses on loans is based on, among other things, its analysis of current and historical delinquency rates and loan management, its customers' likely repayment capacity and the valuation of the underlying assets as well as numerous other management assumptions.

The Group is exposed to the risk of currency fluctuations.

Foreign currency fluctuations may have an adverse impact on the Group's income statement, balance sheet and/or cash flows as a result of the reporting currency used in preparing the Issuer's balance sheet being different from the reporting currency of the Issuer's subsidiaries, the Issuer's assets and liabilities being stated in different currencies and certain revenue and costs arising in different currencies. The Issuer may be exposed to both these risks.

The results of, and the financial position of, the Issuer's subsidiaries may be reported in relevant local currencies, and then, if different than the reporting currency of the Issuer, translated into the reporting currency of the Issuer at the applicable exchange rates for inclusion in the Issuer's balance sheet. The debt portfolios of the Issuer and its subsidiaries (i.e., the Issuer's and its subsidiaries' primary assets) are mainly denominated in currencies other than SEK, while the Issuer's deposits raised from the public (i.e., the Issuer's dominant liability) are denominated in SEK and EUR. Furthermore, in each of the jurisdictions in which the Group is present, all revenue and the major part of the expenses are recorded in local currency.

Exchange rates between reporting currencies of the Issuer's subsidiaries and the reporting currency of the Issuer have in recent years fluctuated significantly and may in the future fluctuate significantly. Accordingly, to the extent that foreign exchange rate exposures are not hedged, any significant movements in the relevant exchange rates may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Since the Group operates and owns portfolios in various countries, the Issuer is exposed to the risk that the book value of the Group's portfolios translated into the reporting currency of the Issuer will change due to currency movements. Even if the book value of portfolios in local currencies remains unchanged, a potential increased book value in the Issuer's reporting currency would impact the Issuer's capital adequacy in a positive or negative way depending on the direction of the currency movements. From a short term capital adequacy perspective, a weak reporting currency of the Issuer will negatively impact the Issuer's capital position.

With regard to currency instability issues, concerns exist in the eurozone with respect to macro-fundamentals on a country-by-country basis, as well as with respect to the overall stability of the European monetary union. Should these concerns materialise, one or more countries where the Group is currently, or may in the future be, active could exit from the European monetary union and re-introduce individual currencies, which could result in the redenomination of a portion of the Group's euro-denominated assets, liabilities and cash flows to the new currency of the country in which they originated. This could result in a mismatch in the currencies of the Group's assets, liabilities and cash flows. Any such mismatch, together with the capital market disruption that would likely accompany any such redenomination event, could adversely affect the Group's liquidity position and have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group operates in markets that are competitive.

The Group faces strong competition in all areas and markets, including from other pan-European competitors and competitors that are active on the local markets. Main competitors are debt purchasing companies, integrated firms operating a wider range of financial service businesses, as well as specialist investors. Some competitors that are active only in a local market and not on a pan-European basis are larger, have greater financial resources and are more active than the Group in such local market. The Group competes on the basis of bid prices, the terms it offers, reputation, industry experience and performance. The Group's current competitors and any new competitors may develop substantially greater financial, technical, personnel or other resources. In the future, the Group may not have the resources or ability to compete successfully with its local or international competitors. There can be no assurance that the Group will be able to offer competitive bids for debt portfolios or that the Group will be able to maintain the advantages in having its current strong position and status. If the Group is unable to develop and expand its business or adapt to changing market needs as well as its current or future competitors are able to do, or at all, or if the Group's competitors are able to operate at a lower cost of capital or make advances in their pricing or collections methods that the Group deems itself not being able to make, the Group may be unable to purchase portfolios at prices appropriate in order to operate profitably. Any inability to compete effectively may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group relies on third-party collection providers in some of the Group's markets.

The Group employs a business model that is designed to deliver operational efficiency based on local market conditions and international best practices. The Group complements its in-house collections with carefully selected third-party collection providers. Third-party debt collectors are subject to more limited supervision by the Group than its own local operations. Any failure by these third parties to adequately perform such services for the Group could materially reduce the Group's cash flow, income and profitability and affect the Group's reputation in the countries where they operate. In addition, any violation of laws or other regulatory requirements by these third parties in their collection efforts could negatively impact the Group's business and reputation or result in penalties being directly imposed on the Group, as industry regulators generally expect businesses to carefully select such third parties and to take responsibility for any compliance violations. The failure of the Group's third-party debt collectors to perform their services to the Group's standards and any deterioration in or loss of any key relationships may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Third-party collection providers could commit fraud with respect to the claims that the Group engages them to service, enter into financial difficulties, fail to comply with applicable laws and regulations, such as data protection requirements, or fail to provide the Group with accurate data on the claims they are servicing. To the extent these third parties violate laws, other regulatory requirements or their contractual obligations to the Group, or act inappropriately in the conduct of their business, the Group's business and reputation could be negatively affected or penalties could be directly imposed on the Group, which in turn could have a negative impact on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group may also suffer losses pursuant to its agreements with debt originators who have required, and may require, the Group to ensure compliance by sub-contractors with applicable laws or other regulatory requirements. Furthermore, the Group may not become aware of the occurrence of any such violations for a substantial period of time, which could magnify the effect of such violations. Any of these developments could have an adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group's hedges may be ineffective or may not be implemented correctly.

The Group continuously hedges its unwanted market and liquidity risks, as well as other exposures. There is however no guarantee that the Group's hedging management will be successful. The Group is subject to the

risk that there may be a mismatch between the performance of its hedging instruments and the effects of the items being hedged, implying a net loss. The Group is also exposed to the risk that its hedges could be implemented incorrectly. Any of these events could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Increases in labour costs, potential labour disputes and work stoppages could negatively affect the Group's business.

The Group's financial performance is affected by the availability of qualified personnel and the cost of labour. If the Group is unable to maintain satisfactory labour agreements with its unionised employees and works councils, the Group could experience a disruption of its operations, which could impede the Group's ability to provide services to its clients. In addition, an increased number of unionised employees could cause the Group to incur additional labour costs. Potential labour disputes could disrupt the Group's operations. Further, an increased demand for the Group's employees from competitors could increase costs associated with employee compensation. Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to market and liquidity risks.

The Group is subject to market, liquidity and counterparty risks in relation to its assets held as liquidity reserve (mostly interest bearing securities). The Group's ability to sell these assets at a commercially desirable price or at all may be impaired if other market participants are seeking to sell such assets at the same time or when the market value of such assets is difficult to ascertain due to market volatility or otherwise uncertain market conditions. If one or more of the abovementioned risks materialises, it could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Risks relating to insurance.

The Group's insurance policies include insurance to cover certain risks associated with the Group's business, including general liability, crime insurance, professional liability, directors' and officers' liability insurance and cyber insurance. No assurances can be given that the Group will continue to maintain adequate levels of insurance coverage. Furthermore, there can be no assurance that the insurance coverage obtained will always prove to be sufficient. If the level of insurance coverage is not sufficient in relation to a significant claim or loss then this could have a negative impact on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Risks Relating to Laws and Regulations

The Issuer relies on its licence as a "Credit Market Company" and the loss or suspension of such licence could impair or terminate the Group's access to deposit funding and the Group's ability to conduct business.

Pursuant to the Issuer's licence as a "Credit Market Company", it is subject to regulation and regulatory supervision applicable to the banking sector. The Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "**SFSA**") is its primary regulator. The Issuer has established branches in Germany, Belgium, the Netherlands and France and is therefore also subject to scrutiny from local regulators in these jurisdictions. The Issuer has passported its licence to conduct financial business into the United Kingdom, France, Greece, Germany and Austria. The Issuer is further contemplating establishing a branch in Romania. The Issuer and other members of the Group are subject to numerous local laws and regulatory supervision, including in relation to capital adequacy, risk control, financial services and business conduct, data protection, anti-corruption, anti-money laundering, antitrust and administrative actions. Any significant changes and/or developments in regulations, regulatory supervision and/or granted licences, or changes in oversight by the primary regulator could materially affect the Group's business, the products and services the

Group offers or the value of the Group's assets. Any failure by the Group to comply with applicable laws and regulations and other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions. Such sanctions could include the revocation by the SFSA of the Issuer's licence as a "Credit Market Company". The loss of the Issuer's licence would mean that it would have to discontinue the offering of deposit savings accounts to the general public. As deposits are the Group's principal source of funding, this would adversely affect the Group's liquidity position and impair the Group's ability to fund its business and potentially also impair or materially adversely affect the Group's ability to continue its business as currently conducted. In addition, there can be no assurances that the Group would be able to obtain other sources of funding within a short time period or at all, or that such alternative funding would be available at similar costs. Other sanctions could include material fines. Any of these events could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is subject to a risk of changes to, or failure to comply with, legislation and regulation relating to capital adequacy and liquidity requirements.

Due to the Issuer's status as a "Credit Market Company", the Group is subject to substantial legislation and regulation relating to capital adequacy and liquidity requirements, including the Basel III Framework. Pursuant to this legislation and regulation, the Issuer is required, among other things, to maintain adequate capital resources and to satisfy specified capital and liquidity ratios at all times. This subjects the Group to regulatory risks, including the effects of new and changing laws, regulations, policies, voluntary codes of practice and interpretations of such in Sweden and in the EEA. In addition, any changes to the assumptions the Group makes when purchasing portfolios may potentially have an impact on the value of the Group's portfolios. When the Group purchases portfolios, it makes assumptions regarding gross collections and collection costs and the net present value of expected gross collections is reflected in the balance sheet carrying value of the Group's portfolios. Should the Group experience higher collection costs than expected, for example due to lower collection efficiency or efficacy, changing laws or interpretations of applicable regulatory frameworks or changes in collection practices to more costly collection methods, such as increased use of legal systems, the profit and loss statement of the Group would be adversely affected. Should the Group experience increased credit risk on its portfolios, such that the Group recovers less than expected from its customers, causing gross cash collections on the Group's portfolios to decline, potentially significantly, these factors could consequently decrease the Group's revenue as well as lower the carrying value of the Group's portfolios as such changes could trigger revaluations. As such, the asset side of the Group's balance sheet would decrease accordingly and impact the Group's capital adequacy. A market perception or actual shortage of capital could result in regulatory actions, including requirements to raise additional regulatory capital, to retain earnings or suspend dividends or the issuance of a public censure or imposition of sanctions. This may affect the Group's ability to generate a return on capital, purchase portfolios and pursue acquisitions or other strategic opportunities and may impact the Group's future growth potential. In addition, possible sanctions could include the revocation by the SFSA of the Issuer's licence as a "Credit Market Company", and the loss or suspension of such licence could impair or terminate the Group's access to deposit funding and the Group's ability to conduct business.

The Group faces risks associated with an uncertain and rapidly evolving regulatory environment. Since the global financial and economic crisis in 2008-2010, a number of regulatory initiatives have been taken to amend or implement rules and regulations, which have, and which are likely to continue to have, an impact on the Group's business. Such initiatives include, but are not limited to, the Basel III Framework and other regulatory developments impacting liquidity, capital and leverage positions and handling of counterparty risks, as well as regulatory tools provided to authorities to allow them to intervene in scenarios of distress. As a result of regulatory changes, including further regulation based on Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit instructions and investment firms ("**CRR**"), as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 ("**CRR II**") and Directive 2013/36 EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit

institutions and the prudential supervision of credit institutions and investment firms ("**CRD Directive**"), as amended by Directive (EU) 2019/878 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU ("**CRD V Directive**"), the Issuer may in the future be required to meet stricter liquidity and capital requirements. Regulatory changes could also result in the Issuer's existing regulatory capital ceasing to count either at the same level as present or at all, in changes to the current risk weights of the Group's assets or in the Group being restricted from holding assets such as non-performing debt portfolios. See also "*Payments on the Notes will be subject to the Maximum Distributable Amount introduced under CRD*" for further information on capital requirements applicable to the Issuer and the Group.

The Basel Committee continues to work on several policy and supervisory measures that aim to enhance the reliability and comparability of risk-weighted capital ratios. The measures include revised standardised approaches for credit risk, market risk and operational risk, a set of constraints on the use of internal model approaches for credit risk, including exposure-level, model-parameter floors, a leverage ratio minimum requirement, net stable funding ratio and aggregate capital floors for banks that use internal models based on the proposed revised standardised approaches.

In addition, on 23 November 2016, the European Commission announced a further package of reforms to CRR, CRD IV and the BRRD (as defined below) (the "**EU Banking Reforms**"). These reforms contain a broad range of measures designed to increase the resilience of EU institutions and enhance financial stability, including: binding leverage ratio requirements; binding liquidity requirements; developments of the large exposures framework; changes to the calculation of market and counterparty credit risks; refinement of 'pillar 2' individual capital requirements, including a distinction between pillar 2 'requirements' and 'guidance' and their interaction with the combined buffer requirements (discussed further below); and further development of the recovery and resolution framework for failing banks and investment firms (including with regards to requirements for maintaining certain levels of instruments designed to absorb losses and the interaction between these resources and the combined buffer requirements – see further "*The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of the Notes*" below).

There is continued uncertainty with regards to the final calibration and implementation of the further reforms proposed by the Basel Committee and the European Commission, and consequently the impact which these reforms may have on the Issuer's business. Any reforms which impose additional capital requirements on the Issuer generally or require the Issuer to hold increased capital against certain exposures or make certain provisions may have an impact on the growth and operations of the Issuer's business. On 14 March 2018, the European Commission presented a package of measures to address the risks related to high levels of non-performing loans ("**NPLs**") in Europe. The package included (1) a proposal for a directive on credit servicers, credit purchasers and the recovery of collateral; (2) a proposal for a regulation amending the CRR introducing a prudential backstop for NPLs ("**NPL Backstop**"); and (3) a blueprint on the set-up of national asset management companies ("**AMCs**"). The NPL Backstop entered into force on 26 April 2019 (Regulation No. 2019/630) and will require financial institutions, such as the Issuer, to make deductions from its CET1 capital to cover for NPLs on its balance sheet and effectively hold increased capital in the future. The Issuer is investigating and contemplating alternative holding structures to mitigate the increased capital requirement for NPLs in the future. In December 2019, the Issuer completed an Italian rated securitisation transaction structured with a view to achieve significant risk transfer in accordance with Article 244 of the CRR. However, there can be no assurance that the establishment of the securitisation structure or any other holding structures will be successful or effectively address the adverse effect of the NPL Backstop.

The Group's business, as well as external conditions, is constantly evolving. As a result, and to ensure compliance with the changing regulatory landscape, the Group may need to increase its own funds in the future, by reducing its lending or investment in other operations or raising additional capital. Such capital, whether in the form of debt financing, hybrid capital or additional equity, may not be available on attractive terms, or at all. In addition, it is difficult to predict what regulatory requirements relating to capital may be

imposed in the future or accurately estimate the impact that any currently proposed regulatory changes may have on the business, the products and services offered by the Group and the values of its assets. For example, if any entity of the Group is required to make additional provisions, increase its reserves or capital, or exit or change its approach to certain businesses as a result of the initiatives to strengthen the regulation of credit institutions, this could materially adversely affect the Issuer's and/or the Group's results of operations or financial condition.

Any of these events could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of the Notes.

To complement the CRR/CRD IV legislative package, the directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (known as the Bank Recovery and Resolution Directive ("**BRRD**")) was adopted. The BRRD was amended by Directive (EU) 2019/879 Directive 2019/879/EU of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC ("**BRRD II**") on 27 June 2019 where most of the new rules in BRRD II will start to apply mid-2021. The BRRD establishes a framework for the recovery and resolution of credit institutions and, *inter alia*, requires EU credit institutions to produce and maintain recovery plans setting out the arrangements that may be taken to restore the long-term viability of the firm in the event of a material deterioration of its financial position. National resolution authorities (the Swedish National Debt Office (Sw. *Riksgälden*) (the "**Swedish National Debt Office**")), in consultation with competent authorities (the SFSA for Sweden), are required to prepare resolution plans setting out how a firm might be resolved in an orderly fashion and its essential functions preserved, if it were to fail. This includes the potential application of the resolution tools and powers referred to below as well as options for ensuring the continuity of critical functions.

The BRRD has been implemented into Swedish law by the Resolution Act (*Sw. lagen (2015:1016) om resolution*) and the Precautionary Support Act (*Sw. lagen (2015:1017) om förebyggande statligt stöd till kreditinstitut*). The Swedish National Debt Office has been appointed as resolution authority and has been given certain powers which can be categorised into preventive powers, early intervention powers and resolution powers. Ultimately, the authority may take control of a failing firm and, for example, transfer the firm to a private purchaser or to a publicly controlled entity pending a private sector arrangement. All these actions can be taken without any prior shareholder approval.

The primary objective of the BRRD and the Resolution Act is to maintain financial stability. All credit institutions are covered by the regime and may thus potentially be subject to resolution actions, including the Issuer and the Group. A prerequisite for initiating resolution action is, however, that it is deemed necessary and proportionate in order to achieve the resolution objectives, such as systemic stability concerns. The BRRD and the Resolution Act also provide that shares and other Tier 1 and Tier 2 capital instruments may be written-down/converted independently of resolution and, accordingly, these actions may be taken even if the criteria for initiating resolution action are not satisfied.

The BRRD contains a number of resolution tools and powers intended to ensure that resolution authorities across the EU have a harmonised toolkit to manage firms' failure provided that the resolution conditions are satisfied. These tools and powers may be used alone (except for the asset separation tool) or in combination and include the following: (i) a sale of business tool - which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) a bridge institution tool - which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) an asset separation tool - which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down; and (iv) a general bail-in tool - which gives resolution authorities the

power to write-down all or a portion of the principal amount of, or interest on, certain other eligible liabilities (which could include the Notes), whether subordinated or unsubordinated, of a firm in resolution and/or to convert certain unsecured debt claims including senior notes and subordinated notes (such as the Notes) into another security, including common equity tier 1 ("**CET1**") instruments of the surviving entity, which equity could also be subject to any further application of the general bail-in tool. This means that most of such failing firm's debt could be subject to bail-in, except for certain classes of debt, such as deposits and secured liabilities.

In addition to the general bail-in tool, the BRRD provides for relevant authorities to have the further power, before any other resolution action is taken, to permanently write-down or convert into equity relevant capital instruments (such as the Notes) at the point of non-viability (see the risk factor "*Loss absorption at the point of non-viability of the Issuer*" below for further information).

One of the key principles in the BRRD is that the shareholders of a failing firm must bear the first losses in case of a failure. Prior to taking any resolution action that would result in losses for the creditors of the failing firm, the authorities must therefore impose losses on the shareholders by cancelling or severely diluting their shares. Article 48 of the BRRD establishes the sequence in which resolution authorities should apply the general bail-in tool: in general, shareholders' claims should first be exhausted, then claims in respect of additional tier 1 securities (such as the Notes) and only when those claims are exhausted can resolution authorities impose losses on more senior ranking claims (including claims in respect of tier 2 securities and unsubordinated securities).

The BRRD also provides that a Member State may as a last resort, after having assessed and exploited the above resolution tools to the maximum extent possible whilst maintaining financial stability, provide extraordinary public financial support through additional financial stabilisation tools. These consist of the public equity support and temporary public ownership tools. Any such extraordinary financial support must be provided in accordance with the EU state aid framework.

The Swedish National Debt Office will only be permitted to use resolution powers and tools in relation to a firm if it determines that all the conditions for resolution are satisfied. These conditions are (a) the determination that the firm is failing or likely to fail (the 'failure condition') (which, in the case of Sweden, will be determined by the SFSA); (b) there is no reasonable prospect that any solution, other than a resolution action taken in respect of the firm, would prevent the failure of the firm within a reasonable timeframe (the 'no alternative condition'), and (c) intervention through resolution action is necessary in the public interest (the 'public interest condition').

According to the BRRD, a firm will be considered as failing or likely to fail when:

(i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation;

(ii) its assets are, or are likely in the near future to be, less than its liabilities;

(iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or

(iv) it requires extraordinary public financial support (except in limited circumstances).

The powers set out in the BRRD will impact how firms are managed as well as, in certain circumstances, the rights of creditors. Under the BRRD regime, the Notes may be subject to write-down or conversion into equity on any application of the general bail-in tool or non-viability loss absorption. In such circumstances, this will likely result in holders of the Notes losing some or all of their investment. The general bail-in tool can be used to recapitalise a firm that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring. The write-down and conversion power can be used either together with, or also, independently of, a resolution action. Other powers provided to resolution authorities under the BRRD in respect of debt instruments (which could include the Notes) include replacing or substituting the firm as obligor in respect of such debt instruments;

modifying the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or discontinuing the listing and admission to trading of debt instruments. The exercise of any power under the BRRD or any suggestion of such exercise could, therefore, materially adversely affect the rights of the holders of the Notes, the price or value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that all in-scope firms have sufficient own funds and eligible liabilities available to absorb losses and contribute to recapitalisation if the bail-in tool were to be applied. Each firm must meet an individual minimum requirement for eligible liabilities ("**MREL**") requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities (the Swedish National Debt Office) on a case by case basis. The MREL requirement applies to all EU credit institutions (and certain investment firms), not just to those identified as being of a particular size or of systemic importance.

On 23 February 2017, the Swedish National Debt Office presented the finalised model for the calculation of MREL, stating that systemically important institutions need to replace a portion of their existing bonds with subordinated bonds. Firms which are not deemed as systemically important will not be affected by the framework presented by the Swedish National Debt Office; in a crisis, such firms will be declared bankrupt or placed in liquidation rather than resolution. The model presented for the calculation of MREL took effect from 1 January 2018 and firms must progressively build up the volume of subordinated liabilities required to meet the minimum requirement by 2022. The Issuer is currently not considered as a systematically important firm but if it would be considered to be systemically important in the future, the Issuer will need to issue a significant amount of additional eligible liabilities in order to meet the new MREL requirements within the required timeframes. If the Issuer was to experience difficulties in raising eligible liabilities, there is a risk that it will have to reduce its lending or investments in other operations, which will have an adverse effect on the Issuer's business, financial condition and results of operations.

As noted above under "*The Group is subject to a risk of changes to, or failure to comply with, legislation and regulation relating to capital adequacy and liquidity requirements*" on 23 November 2016 the European Commission announced a further package of EU Banking Reforms, including changes to BRRD and MREL calibration and eligibility requirements. Most of the amendments to the EU Banking Reforms will start to apply by mid-2021 although some were to be applied as from 27 June 2019. An official Swedish government report published in December 2019 presents various proposals for legislative amendments necessary in order to adapt Swedish law to the EU Banking Reforms, most of which are expected to be applied from the end of December 2020.

It is not possible to predict exactly how the powers and tools of the Swedish National Debt Office described in the BRRD and the Resolution Act (and any changes thereto) will affect the Issuer and the Group. Accordingly, it is not possible to assess the full impact of the BRRD and the Resolution Act on the Issuer and the Group. The powers and tools given to the Swedish National Debt Office are numerous and the exercise of any of those powers or any suggestion of such exercise could materially adversely affect the rights of Noteholders, the price or value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Loss absorption at the point of non-viability of the Issuer.

Investors in the Notes are subject to the risk that the Notes may be required to absorb losses as a result of statutory powers conferred on resolution and competent authorities in Sweden (the Swedish National Debt Office and the SFSA). As noted above under the risk factor "*The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of the Notes*", the powers provided to the Swedish National Debt Office and the SFSA under the BRRD include write-down/conversion powers to ensure that relevant capital instruments (such as the Notes) fully absorb losses at the point of non-viability of the issuing firm in order to allow it to continue as a going concern subject to appropriate restructuring. As a result, the BRRD contemplates that resolution authorities (the Swedish National Debt Office) may require the permanent write-down of such capital instruments

(which write-down may be in full) or the conversion of them into CET1 instruments at the point of non-viability (which CET1 instruments may also be subject to any subsequent application of the general bail-in tool described above) and before any other bail-in or resolution tool can be used. The Notes, being additional tier 1 securities, are deeply subordinated liabilities of the Issuer, and holders of additional tier 1 securities would be expected to bear the first losses after the shareholders.

For the purposes of the application of any non-viability loss absorption measure, the point of non-viability under the BRRD is the point at which one or more of the following circumstances apply: (a) the determination has been made by the relevant authority that the conditions for resolution (i.e. the 'failure condition', the 'no alternative condition' and the 'public interest condition' described under "*Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of the Notes*") above have been met, before any resolution action is taken; (b) the relevant authority determines that unless the write-down/conversion power is exercised in relation to the relevant capital instruments, the firm "will no longer be viable" (as described in Article 59(4) of the BRRD) and/or (c) extraordinary public financial support is required by the firm.

The application of any non-viability loss absorption measure may result in holders of the Notes losing some or all of their investment. Any such conversion to equity or write-off of all or part of an investor's principal (including accrued but unpaid interest) shall not constitute an event of default and holders of the Notes will have no further claims in respect of any amount so converted or written off. The exercise of any such power may be inherently unpredictable and may depend on a number of factors which may be outside the Issuer's control. Any such exercise, or any suggestion that the Notes could become subject to such exercise, could, therefore, materially adversely affect the value of the Notes.

A decision that the Group's deposits shall no longer be covered by the Swedish state-provided deposit guarantee scheme, or changes to the deposit guarantee scheme in its current form, could have an adverse effect on the Group's operations.

Due to the Issuer's licence as a "Credit Market Company", it is able to offer corporate and retail deposits to the general public that are covered by the Swedish state-provided deposit guarantee scheme, which guarantees an amount of SEK 950,000 (with some exceptions) for each depositor. As such, the Group is required to establish internal processes to handle operational risk related to the deposits, including managing and securing the data systems utilised to host the deposits. Any failure by the Group to comply with these requirements could result in intervention by regulators or the imposition of sanctions, including a decision that the Issuer's deposits shall no longer be covered by the deposit guarantee scheme. The loss of coverage by the deposit guarantee scheme would likely mean that the Group would have to discontinue the offering of deposit savings accounts to the general public, which would adversely affect the Group's liquidity position and impair the Group's ability to fund its business and potentially also impair or terminate the Group's ability to continue its business as currently conducted.

In recent years, the relevant regulatory authorities in Sweden and Europe have proposed (and in some cases have commenced implementation of) changes to many aspects of the banking sector, including, among others, deposit guarantee schemes. While the impact of these regulatory developments remains uncertain, the Group expects that the evolution of these and future initiatives could have an impact on its business, including by imposing greater administrative and financial burdens on the Group. Increased costs may result from, for example, changes to the guarantee scheme leading to increased contributions to the schemes by covered financial institutions. Changes could also lead to the guaranteed amounts being lowered.

Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to local risks in a number of European markets.

The Group's business is subject to local risks due to its operations in multiple European markets, including multiple national and local regulatory and compliance requirements relating to collection practices, labour,

licensing requirements, consumer credit, data protection, anti-corruption, anti-money laundering and other regulatory regimes, potential adverse tax consequences, antitrust regulations, inability to enforce remedies in certain jurisdictions and geopolitical and social conditions in certain sectors of relevant markets. Any negative impact caused by the foregoing risks could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Adverse regulatory developments under the laws and regulations to which the Group is subject could expose the Group to a number of risks. The debt purchasing industry has come under increased scrutiny due to local political factors, which has lead, and could lead to further, changes in laws and regulations. Any new laws or regulations that may be adopted, or changes to existing laws or regulations, or changes to their interpretation by supervisory authorities and courts, may reduce the Group's operational flexibility and limit the Group's ability to use its customer data to price portfolios and create efficient debt collection strategies.

From time to time, the Group may receive inquiries from regulatory authorities and it is the Group's practice to cooperate with such inquiries. The Group is also subject to regular audits by the regulatory authorities in various countries where it operates. In addition, the Group may be involved in inquiries and audits arising from the actions of its third-party collection providers. An adverse outcome of any such investigation or other inquiries from regulatory authorities may result in: the institution of administrative, civil or criminal proceedings; sanctions and the payment of fines and penalties, including potential suspension or revocation of regulatory licences depending on the severity and scale of any regulatory issues; changes in personnel; the Group's inability to conduct business due to the loss of the Issuer's regulatory licence or restrictions or conditions being placed on the Group's activities; increased review and scrutiny of the Group's services by debt originators, regulatory authorities and others; and negative media publicity and reputational damage.

Individual employees and the Group's third-party collection providers may act against the Group's instructions and, either inadvertently or deliberately, violate applicable competition laws and regulations by engaging in prohibited activities such as price fixing or colluding with competitors regarding markets or debt originators. Such actions may harm the Group's reputation and subject the Group to regulatory inquiries and customer complaints and, if the Group is held responsible, the resulting fines and other sanctions could be substantial.

Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to risks relating to sensitive data.

The Group's ability to conduct its business, including accurately pricing portfolios, tracing customers and developing tailored repayment plans, depends on the Group's ability to use customer data in the Data Warehouse. The Group's ability to obtain, retain, share and otherwise process customer data is governed by data protection laws, privacy requirements and other regulatory restrictions, including, for example, that personal data may only be collected for specified, explicit and legitimate purposes, and may only be processed in a manner consistent with these purposes. Further, the collected personal data must be adequate, relevant and not excessive in relation to the purposes for which it is collected and/or processed, and it must not be kept in a form that permits identification of customers for a longer period of time than necessary for the purposes of the collection.

While the Group continuously works to improve its design and coordination of security and compliance controls across the Group's business, it is possible that the Group's security controls over personal customer data, its training of employees and partners on data protection, and other data protection practices the Group follows may not prevent the improper disclosure or processing of such sensitive information in breach of applicable laws and contracts. Any material failure to process customer data in compliance with applicable laws could result in the revocation of the Group's licences to collect debt, monetary fines, criminal charges and breach of contractual arrangements. Failure to comply with applicable data protection laws could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The General Data Protection Regulation (EU) 2016/679 (the "**GDPR**") has applied since 25 May 2018. The main objectives of the GDPR are to harmonise EU laws on personal data and facilitate the flows of data across EU as well as to ensure that personal data enjoys a high standard of protection everywhere in the EU. The GDPR includes both stricter compliance requirements and sanctions for non-compliance with fines up to 4 per cent. of the Issuer's global turnover or EUR 20,000,000, whichever is higher. The GDPR imposes a substantially higher compliance burden on the debt purchase industry and potentially impair the Group's ability to use customer data, for example by restricting the Group's ability to create customer profiles. In addition, if any of the information or customer data that the Group uses were to become public, including as a result of a change in governmental regulation, or if the countries where the Group operates were to introduce measures that have the effect of facilitating the tracing of customers, or if the current data processing restrictions were to change such that credit market participants could access credit information before the purchase of portfolios, or if the current data processing restrictions were to change such that the Group would be prohibited to use customer data in the manner or to the extent in which it is currently used, the Group could lose a significant competitive advantage and the Group's business could be negatively affected.

The Group is subject to on-going risks of legal and regulatory claims.

In the ordinary course of the Group's business, it is subject to regulatory oversight and the risk of claims being brought against the Group by customers from which the Group collects debt. In recent years, in a few jurisdictions where the Group is active, there has been a substantial increase in consumer claims being brought through the courts in attempts to claim refunds of sums paid under consumer credit agreements or to avoid making payments going forward. This litigation has been fuelled by a substantial rise in the number and activity of claims management companies that aggressively advertise for potential claimants and then bring claims in the hope and expectation that they will be paid a portion of any debt written off. Claims could also be brought in relation to other areas of alleged non-compliance, which could affect a large portfolio of agreements.

It cannot be ruled out that material litigations, disputes or regulatory investigations may occur in the future and Group companies may in the future be named as defendants in litigations, including under consumer credit, tax, collections, employment, competition and other laws. In addition, claims management companies and consumer rights groups could increase their focus on the debt collection industry and, in particular, the collection of debts owed under credit agreements. Such negative publicity or attention could result in increased regulatory scrutiny and increased litigation against the Group, including class action suits.

These types of claims and proceedings may expose the Group to monetary damages, direct or indirect costs, direct or indirect financial loss, civil and criminal penalties, loss of licences or authorisations, or loss of reputation, as well as the potential for regulatory restrictions on the Group's businesses, all of which could have a material adverse effect on the Group's business, earnings and financial position. Claims against the Group, regardless of merit, could subject the Group to costly litigation or proceedings and divert the Group's management personnel from their regular responsibilities. Adverse regulatory actions against the Group or adverse judgements in litigation to the Group may lead to the Group being forced to suspend certain collection efforts or pay damages, being subject to enforcement orders or one or more Group companies having registration with a particular regulator revoked. If any of the foregoing occurs, it may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Group conducts cross-border operations and manages its group tax affairs across companies in several jurisdictions.

The Group has implemented cross-border arrangements within the Group in relation to various aspects of its business, including allocating among certain Group companies, as outsourced functions, support activities regarding the preparation and analysis of investment decisions, purchase of debt portfolios and collection activities relating to debt portfolios. The Group has also adopted, and regularly updates, Group transfer pricing policies setting out the framework for how the Group prices activities carried out within the Group. The Group is exposed to potential tax risk resulting from the varying applications and interpretations of tax

laws, treaties, regulations and guidance, including in relation to corporate income tax and VAT. Although the Group believes that it has applied and interpreted relevant tax laws and regulations in a correct manner, and that the Group's transfer pricing policies and other cross-border arrangements have been implemented in accordance with internationally accepted transfer pricing procedures and tax laws in the jurisdictions in which the Group operates, relevant tax authorities in the jurisdictions in which the Group operates may disagree with, and subsequently challenge, the Group's positions. As a result, the Group's tax exposure, both on a Group and individual country basis, could change materially if such challenges, if any, were to be successful.

Tax structuring within international groups increasingly has become a Corporate Social Responsibility issue and currently there is strong political pressure to change the international tax environment. In light of the Base Erosion and Profit Shifting ("**BEPS**") Action Plan, launched by the OECD and supported by the EU (e.g. through the implementation of the Anti-Tax Avoidance Directive which aims to ensure consistent implementation of certain parts of the BEPS project), and its rapid development, there are indications that there is support for global tax coordination among jurisdictions. These changes could have a significant impact on the international taxation landscape in which the Group operates. Recently, tax authorities across the OECD generally and the EU have increased their scrutiny of corporate taxation structures and related permanent establishment and transfer pricing matters. Such focus by tax authorities could affect the Group's structure and organisation or could lead to increased tax exposure.

The Group has identified potential tax exposures in various jurisdictions in which the Group operates relating primarily to VAT, transfer pricing, permanent establishment and corporate income tax. Certain identified exposures concern significant amounts individually and the aggregate amount of the risks combined is material. While the Group believes that there are a number of structural and other steps that have been and will be taken to mitigate the effects of such exposures, such as availing relevant companies of potential relief under double-taxation treaties, there can be no assurances that such steps are or will be available or that they would effectively mitigate the exposures. Accordingly, should the Group be subject to adverse tax decisions relating to the identified potential tax exposures, this could result in significantly increased tax liabilities, including accrued interest and penalties, which could have a material adverse effect on the Group's business, results of operations or financial position and the performance by the Issuer of its obligations under the Notes.

The Group's effective tax rate may increase, the Group may be subject to audits and the Group may be subject to a potential new tax on banks and credit institutions currently under discussion.

The Group is subject to taxation in numerous foreign jurisdictions. The Group's effective tax rate is subject to fluctuation from one period to the next because the income tax rates for each year are a function of many factors, including: (i) taxable income levels and the effects of a mix of profits (losses) earned by the Group in numerous tax jurisdictions with a broad range of income tax rates; (ii) the Group's ability to utilise deferred tax assets; (iii) taxes, refunds, eventual interest or penalties resulting from tax audits; (iv) the magnitude of various credits and deductions as a percentage of total taxable income; and (v) changes in tax laws or the interpretation of such tax laws. Changes in the mix of these items may cause the Group's effective tax rate to fluctuate between periods, which could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The Swedish Government has announced an intention to impose an additional SEK 5 billion in taxes from the financial sector. However, there are still no details available as to how such a tax would be constructed and it is thus difficult to evaluate how and if it will impact the Group but it may have a material adverse impact on the Group's financial position.

Changes in accounting principles

From time to time, the International Accounting Standards Board ("**IASB**"), the EU and other regulatory bodies change the financial accounting and reporting standards that govern the preparation of the Issuer's financial statements. For example, in July 2014, the IASB issued a new accounting standard, International Financial Reporting Standard 9 (Financial Instruments) ("**IFRS 9**"), which became effective from 1 January

2018 and replaced IAS 39. IFRS 9 provides principles for classification of financial instruments, and provisioning for expected credit losses which are mandatory, and was therefore fully implemented by the Issuer, as of 1 January 2018. These changes can be difficult to predict and could impact how the Issuer records and reports its business, financial condition and result of operations, which in turn could have an adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Risks Relating to the Group's Funding

The Group relies on its deposit funding base to mainly fund its debt purchases and a significant decrease in deposits could have an adverse effect on the Group's business.

The Group relies on its deposit funding base to fund the vast majority of its debt purchases. Deposits are subject to the risk of large withdrawals and/or redemptions occurring at short notice and thus that there may be a mismatch between the Group's need for funding of the Group's liabilities and the Group's access to liquidity. The outflow of deposits is subject to fluctuation due to a number of factors, many of which are outside of the Group's control, such as general economic conditions, including a substantial increase in insolvencies, unemployment and inflation rates.

A perceived increase in the risk of the Group's operations by its depositors may also lead to outflows of deposits. Consequently, there can be no assurances that there will not be significant outflow of deposits within a short period of time. As such, the Group is subject to the risk that there is mismatch between the Group's short-term funding and its long-term assets. Should there be a substantial outflow of deposits, the Group may be unable to generate sufficient liquidity from its existing portfolios, which will adversely affect the Group's ability to purchase additional portfolios as they become available and there can be no assurances that the Group would be able to obtain other sources of funding within a short time period or at all, or that such alternative funding would be available at similar costs. These events could have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

An interest rate increase may have a negative impact on the Group's profit.

The Group is subject to the risk that its net interest income is negatively impacted as a result of increases in prevailing interest rate levels due to a mismatch between the interest rates paid to borrow funds and the income generated from purchased portfolios. The net effect of changes to the Group's net interest income depends on the relative levels of assets and liabilities that are affected by the changes in interest rates. On the liabilities side, the Group's interest expenses are affected by interest rate variations on outstanding loans and deposits from the general public. An interest rate increase would likely have a negative impact on the Group's profit to the extent that the increase in market rates would affect interest rates and interest expenses on loans and deposits from the general public, at the same time as income from the Group's purchased portfolios could increase to a lesser extent. The Group is particularly exposed to interest rate changes due to the long-term cash flow profile of its assets, which is primarily linked to the income generated from purchased portfolios, relative to the short-term cash flow profile of the Group's liabilities. Because of such duration mismatch between assets and liabilities, the effects of interest rate changes will not be naturally fully offset against each other.

As a result, the Group may enter into derivative transactions to attempt to hedge the unwanted portion of such exposure. Despite measures to hedge the Group's interest rate exposures through, for example, interest rate swaps, any remaining mismatch caused by interest rate variations may have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

Negative publicity may have a negative effect on the Group's access to funding.

Negative publicity and other events relating to the Group's reputation could adversely affect the relationships with the Group's current or potential deposit customers, which could lead to withdrawals from the Group's

deposit accounts and decreased levels of new or additional deposits from the public. Negative publicity could also adversely affect investors in the equity and/or debt capital markets, which could lead to decreased interest in future capital markets originated equity and/or debt. Any of these events may have a negative effect on the Group's access to funding or capital, which may impair the Group's ability to purchase debt portfolios and have a material adverse effect on the Group's business, results of operations or financial condition and the performance by the Issuer of its obligations under the Notes.

The hosting of the Group's deposit platforms is outsourced to external third-party providers.

The hosting of the Group's deposit platforms is outsourced to external third-party providers to ensure 24/7 connectivity and first-class security. If the third-party providers do not meet the agreed service levels, or if there were to be any breach in the data protection of the third-party providers who may have access to confidential information of the Group's depositors, this could adversely affect the Group's reputation and the Group's relationships with its depositors and may lead to sanctions and increased supervision by the SFSA. Any such circumstances could have a material adverse effect on the Group's business, results of operations or financial conditions and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to refinancing risk and a risk of not being able to obtain additional financing.

There are no guarantees that the Group in the future will have access to alternative sources of liquidity, such as the equity and/or debt capital markets or bank financing. At the maturity of the Group's existing financing, the Group may be unable, should it wish, to successfully refinance the indebtedness or only succeed in borrowing at substantially increased cost, due to changed market conditions, a perceived increase in the risk of the Group's operations by investors in the Issuer's bonds or other potential lenders, or any other relevant factors. The nominal amount of the Group's funding sources, in particular long-term financing, may be limited during liquidity pressure in the financial markets. Turbulence in the global financial markets and economy may also adversely affect the Group's ability to refinance, which may result in a higher risk profile.

An inability to access alternative sources of liquidity and to refinance the Group's existing debt as it falls due and payable or an increase in interest rate levels may have a negative effect on the Group's financial condition and the performance by the Issuer of its obligations under the Notes.

The Group is exposed to a risk of a downgrade of the Issuer's credit rating.

A downgrade of the Issuer's credit rating could, amongst other things, increase the Group's borrowing costs, adversely affect its liquidity position, limit its access to the capital markets, undermine confidence in (and the competitive position of) the Group and/or limit the range of counterparties willing to enter into transactions with the Group. Any of these events could have a material adverse effect on the Group's business and results of operations and the performance by the Issuer of its obligations under the Notes.

RISKS RELATED TO THE STRUCTURE OF THE NOTES

The obligations of the Issuer in respect of the Notes are unsecured and deeply subordinated and investors assume an enhanced risk of loss in the event of the Issuer's insolvency

The Notes constitute unsecured and subordinated obligations of the Issuer.

On a voluntary or involuntary liquidation (*likvidation*), bankruptcy (*konkurs*) or other winding-up or dissolution (other than an Excluded Winding-Up as defined in the Conditions) of the Issuer in Sweden or elsewhere (referred to herein as a "**winding-up of the Issuer**"), all claims in respect of the Notes (including claims for damages in respect of any breach of the Issuer's obligations thereunder) will rank junior to the claims of all Senior Creditors of the Issuer and *pari passu* with claims in respect of any Parity Securities. If, on a winding-up of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders will lose their entire investment in the Notes. If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its

obligations in respect of the Notes and all other claims that rank *pari passu* with the Notes, Holders will lose some (which may be substantially all) of their investment in the Notes.

There is no restriction on the amount of securities or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders during a winding-up of the Issuer and may limit the Issuer's ability to meet its obligations under the Notes.

Furthermore, subject to applicable law, no Holder will be entitled to exercise, claim or plead any right of set-off, compensation, counterclaim or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes, whether in a winding-up of the Issuer or otherwise, and each Holder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation, counterclaim or retention.

In addition, as further described below under "*Upon the occurrence of a Trigger Event, the principal amount of the Notes will be Written Down*", the principal amount of the Notes will, in certain circumstances, be Written Down, which may be in part or in whole and may occur on one or more occasions. In a winding-up of the Issuer, the claims of Holders in respect of their Notes will be for the Outstanding Principal Amount at the time of the winding-up of the Issuer, which may be less than the Original Principal Amount of the Notes. The Notes do not contain any restriction on the Issuer's ability to issue securities that may have rights similar but preferential to those of the Notes including securities having more favourable, or no, provisions similar to the Trigger Event applicable to the Notes.

Although the Notes have the potential (subject always to the Issuer's right to cancel interest payments) to pay a higher rate of interest than securities which are not subordinated, there is a substantial risk that investors in the Notes will lose all or some of the value of their investment should a winding-up of the Issuer occur.

The Issuer may at any time elect, and in certain circumstances shall be required, not to make interest payments on the Notes

The Issuer may at any time elect, in its full and sole discretion, to cancel any interest payment (in whole or in part) on the Notes which would otherwise be due on any Interest Payment Date.

Furthermore, the Issuer will cancel any interest payment (in whole or in part) which would otherwise fall due on an Interest Payment Date if and to the extent that payment of such payment of interest would: (i) when aggregated with other relevant stipulated payments or distributions, exceed the Distributable Items of the Issuer; or (ii) when aggregated with other relevant distributions, cause any Maximum Distributable Amount (as defined in the Conditions) then applicable to the Issuer or the Group to be exceeded; or (iii) result in a breach of the Solvency Condition.

In addition, if a Trigger Event occurs, the Issuer will cancel all interest accrued up to (and including) the Write Down Date.

With respect to cancellation of interest due to insufficient Distributable Items, see also "*The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Notes*" below. With respect to cancellation of interest due to the application of a Maximum Distributable Amount, see also "*Payments on the Notes will be subject to the Maximum Distributable Amount introduced under CRD*" below.

Any interest which is cancelled as a result of optional or mandatory cancellation as described above shall not accumulate and shall no longer be due and payable by the Issuer. A cancellation of interest in accordance with the Conditions will not constitute a default of the Issuer under the Notes for any purpose, and Holders will have no right to such cancelled interest, or any amount in respect thereof, at any time (including in a winding-up of the Issuer), nor shall such cancellation constitute any event related to the insolvency of the Issuer nor entitle Holders to take any action to cause the Issuer to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Issuer.

If the Issuer elects to cancel, or is prohibited from paying, interest on the Notes at any time, there is no restriction under the terms of the Notes on the Issuer from otherwise paying dividends, interest or other distributions on, or redeeming or repurchasing, any of its other liabilities (including liabilities which rank *pari passu* with, or junior to, the Notes) or any of its share capital. In proposing the interim or final distributions (if any) to be declared in respect of the ordinary shares of the Issuer in respect of any given financial year, the Issuer will have regard to all relevant factors which it considers to be appropriate, including the profitability of the Issuer, its resources available for distribution and the capital and liquidity position of the Issuer at the time of proposing the distribution for approval by the shareholders of the Issuer.

The obligations of the Issuer under the Notes are senior in ranking to the ordinary shares of the Issuer. It is the Issuer's current intention that, whenever exercising its discretion to propose any dividend in respect of the ordinary shares, or its discretion to cancel interest on the Notes, the Issuer will take into account the relative ranking of these instruments in its capital structure. However, the Issuer may at any time depart from this policy at its sole discretion. Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication that the CET1 Ratio of the Issuer and/or the Group is trending towards a failure to meet fully the combined capital buffer requirement (the level at which the Maximum Distributable Amount restriction becomes relevant) may have an adverse effect on the market price of the Notes.

The level of the Issuer's Distributable Items is affected by a number of factors and insufficient Distributable Items will restrict the ability of the Issuer to make interest payments on the Notes

The Issuer will cancel any payment of interest amount (in whole or in part) which would otherwise fall due on an Interest Payment Date if and to the extent that payment of such interest would, when aggregated with other relevant stipulated payments or distributions, exceed the Distributable Items of the Issuer.

The Issuer had approximately SEK 3,317,517,190 in Distributable Items as at 31 December 2019, determined as total non-restricted equity.

The level of the Issuer's Distributable Items is affected by a number of factors. The Issuer's future Distributable Items, and therefore the ability of the Issuer to make interest payments under the Notes, are a function of the Issuer's existing Distributable Items and its future profitability. In addition, the Issuer's Distributable Items may also be adversely affected by the servicing of more senior instruments or parity ranking instruments.

The level of the Issuer's Distributable Items may be affected by changes to accounting rules, regulation or the requirements and expectations of applicable regulatory authorities. Any such potential changes could adversely affect the Issuer's Distributable Items in the future.

The Issuer's Distributable Items, and therefore the Issuer's ability to make interest payments under the Notes, may be adversely affected by the performance of the business of the Group in general, factors affecting its financial position (including capital and leverage), the economic environment in which the Group operates and other factors outside of the Issuer's control. In addition, adjustments to earnings, as determined by the Issuer, may fluctuate significantly and may materially adversely affect Distributable Items.

Payments on the Notes will be subject to the Maximum Distributable Amount introduced under CRD

As provided in the Conditions, if at any time the Issuer or the Group is failing to meet its combined buffer requirements in full, no payments (or deemed payments) will be made on the Notes (whether by way of principal, interest, Discretionary Reinstatement or otherwise) if and to the extent that such payment would, when aggregated together with (i) other distributions of the kind referred to in Article 141(2) of the CRD Directive (or any CRD Implementation Measure (as defined in the Conditions) transposing or implementing Article 141(2) of the CRD Directive, as amended or replaced) and (ii) any distributions of the kind referred to in any analogous restrictions arising from any requirement to meet any applicable buffers under Applicable Banking Regulations, cause any Maximum Distributable Amount (if any) then applicable to the

Issuer or the Group to be exceeded. The "combined buffer requirement" and the associated restrictions under Article 141 above were implemented in Sweden on 2 August 2014.

Under CRD, institutions which fail to fully meet their combined buffer requirement (which, as implemented in Sweden, involves for the Issuer the combination of the capital conservation buffer and the institution-specific counter-cyclical buffer) will be subject to restricted "discretionary payments", including payments relating to common equity tier 1 and additional tier 1 instruments (such as the Notes) and variable remuneration to staff. The restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the profits of the relevant institution since the last distribution of profits or other relevant "discretionary payment". Such calculation will result in a "maximum distributable amount" in each relevant period. As an example, the scaling is such that in the bottom quartile of the "combined buffer requirement", no "discretionary distributions" will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement by the Issuer and/or the Group, it may be necessary to reduce discretionary payments, including potentially cancelling (in whole or in part) interest payments in respect of the Notes.

Under Applicable Banking Regulations, the Issuer and the Group are required to hold certain amounts of regulatory capital. The capital adequacy requirements for the Issuer and the Group consist of:

(a) a minimum capital requirement ("**MCR**") equal to at least 8 per cent. of their total risk exposure amounts ("**REAs**"), within which at least 4.5 per cent. must be common equity tier 1 capital and at least 6 per cent. must be tier 1 capital (such MCR being generally applicable to European banks and referred to as "**Pillar 1 requirements**");

(b) various capital buffers, consisting of (i) a capital conservation buffer of 2.5 per cent. of REAs, and (ii) a counter-cyclical buffer of (as at 31 December 2019) 0.30 per cent., and 0.34 per cent. on a consolidated basis, of REAs (known collectively as the "**buffer capital requirements**"), which must be met only with common equity tier 1 capital; and

(c) additional, institution-specific capital guidance of 1.12 per cent., and 0.73 per cent. on a consolidated basis, of RWAs imposed by the Swedish FSA to address risks which the Swedish FSA considers are not fully covered by the Pillar 1 requirements (known as "**Pillar 2 guidance**"). Pillar 2 guidance can be met with common equity tier 1 capital, additional tier 1 capital and tier 2 capital in the same proportion as that level of capital bears to the sum of the MCR and the static buffers (i.e. capital conservation buffer and, where applicable, any systemic risk buffer and additional buffer for global or other systemically important institutions). At present, the only static buffer applicable to the Issuer and the Group is the capital conservation buffer. Accordingly, at present, at least two-thirds of the Pillar 2 guidance for the Issuer and the Group should be met with common equity tier 1 capital (i.e. (i) the sum of the common equity tier 1 component of the MCR (4.5 per cent.) and the capital conservation buffer (2.5 per cent.) divided by (ii) the sum of the total MCR (8 per cent.) plus the capital conservation buffer (2.5 per cent.)).

Accordingly, as at 31 December 2019, the Issuer and the Group had minimum common equity tier 1 capital requirements (for the avoidance of doubt, not including any Pillar 2 guidance) equal to 7.30 per cent., and 7.34 per cent. on a consolidated basis, of REAs.

The quantum of a Pillar 2 requirement (if any) imposed on an institution, the type of capital which it must apply to meeting such capital requirements, and whether such Pillar 2 requirement is 'stacked' below the capital buffers (i.e. the institution's capital resources must first be applied to meeting the Pillar 2 requirements in full before capital can be applied to meeting the capital buffers) or 'stacked' above the capital buffers (i.e. the institution's capital resources can be applied to meeting the capital buffers in priority to the Pillar 2 requirement) may all impact an institution's ability to make discretionary payments on its tier 1 capital, including interest payments on additional tier 1 instruments (such as the Notes).

The interaction between Pillar 2 requirements and the Maximum Distributable Amount (or "**MDA**") restriction has been the subject of much debate across Europe.

European Union approach

On 16 December 2015, the European Banking Authority ("**EBA**") published opinion EBA/Op/2015/24 on the interaction of Pillar 1, Pillar 2 and combined buffer requirements and restrictions on distributions (the "**EBA Opinion**"). Amongst other things, the EBA Opinion (which does not have the force of law) included an opinion addressed to EEA competent authorities that they should "e*nsure that the CET1 capital to be taken into account for the MDA calculation is limited to the amount not used to meet the Pillar 1 and 2 own funds requirements of the institution*". In effect, this would mean that Pillar 2 capital requirements would be 'stacked' below the capital buffers, and thus a firm's common equity tier 1 capital resources would only be applied to meeting capital buffer requirements after Pillar 1 and Pillar 2 capital requirements have been met in full.

However, more recently, the EBA and the European Central Bank (the "**ECB**") adopted a more flexible approach to Pillar 2. In its publication of the 2016 EU-wide stress test results on 29 July 2016, the EBA has recognised a distinction between "pillar 2 requirements" (stacked below the capital buffers and thus potentially directly affecting the application of an MDA) and "pillar 2 guidance" (stacked above the capital buffers). With respect to pillar 2 guidance, the publication stated that, in response to the stress test results, competent authorities may (amongst other things) consider "*setting capital guidance, above the combined buffer requirement. In cases where capital guidance is provided, that guidance will not be included in calculations of the Maximum Distributable Amount, but competent authorities would expect banks to meet that guidance except when explicitly agreed, for example in severe adverse economic conditions. Competent authorities have remedial tools if an institution refuses to follow such guidance.*". The ECB also published a set of "*Frequently asked questions on the 2016 EU-wide stress test*", confirming this distinction between Pillar 2 requirements and Pillar 2 guidance and noting that "*Under the stacking order, banks facing losses will first fail to fulfil their Pillar 2 guidance. In case of further losses, they would next breach the combined buffers, then Pillar 2 requirements, and finally Pillar 1 requirements.*"

This distinction between Pillar 2 requirements and Pillar 2 guidance has now been formalised in the EU Banking Reforms published by the European Commission on 23 November 2016, which were finalised and published in the Official Journal of the European Union on 7 June 2019.

However, the EU Banking Reforms also provide that own funds which may otherwise be eligible to contribute to the combined buffer requirement must first be applied to meeting any shortfall in the institution's MREL. Accordingly, the combined buffer requirements would 'stack' on top of MREL requirements, and thus shortfalls in MREL could also trigger a limit on discretionary payments.

Swedish approach

The Swedish FSA has previously stated that, in ordinary circumstances, it does not intend to make formal decisions on the capital requirement for individual institutions in Pillar 2. As long as a formal decision has not been made, the capital requirement under Pillar 2 does not affect the level at which automatic restrictions on dividend and coupon payments on certain subordinated securities (including the Notes) take effect (due to a breach of the combined buffer requirements). In January 2016, the Swedish FSA reiterated its view in a response to a document issued by the EBA on this topic. It remains to be seen whether the Swedish FSA will revisit this view in light of the proposals in the EU Banking Reforms for a distinction between Pillar 2 requirements (which are intended to be binding and may directly impact combined buffer requirements and whether an MDA is applicable) and Pillar 2 guidance (which is not intended directly to impact combined buffer levels and the MDA).

Counter-cyclical buffer rate

The counter-cyclical buffer rate applicable to the Issuer and the Group will depend upon the jurisdictions in which their risk weighted assets are located. Under CRD, each EU member state is responsible for setting a counter-cyclical buffer rate applicable to exposures in its own jurisdiction. The relevant authorities in the other EU member states are required to apply such rate to the exposures in that jurisdiction of the banks which they regulate (with discretion whether to recognise a rate higher than 2.5 per cent. of REAs). The counter-cyclical buffer rate applicable to a particular institution will be the weighted average of the counter-cyclical buffer rates in those

jurisdictions where such bank has exposures from time to time (with the institution's home relevant authority determining the applicable counter-cyclical buffer rate for exposures in jurisdictions outside the EU or in any EU jurisdiction where the relevant authority has not set a counter-cyclical buffer rate). The counter-cyclical buffer for Swedish exposures was 2.5 per cent. as at 31 December 2019. In September 2017, the Bank of England decided to increase the counter-cyclical buffer for UK exposures to 1.0 per cent., effective as of 28 November 2018. In December 2019, the Bank of England decided to further increase the counter-cyclical buffer for UK exposures to 2.0 per cent., effective as of 16 December 2020. The counter-cyclical buffer for French exposures was 0.25 per cent. as at 31 December 2019. In March 2019, the Bank of France decided to further increase the counter-cyclical buffer for French assets to 0.5 per cent., effective as of 2 April 2020. Furthermore, the Central Bank of Germany and the National Bank of Belgium have both announced an increase in their counter-cyclical buffers from the current 0 per cent. to 0.25 per cent. and 0.5 per cent., respectively, effective as of 1 July 2020. The Issuer or the Group has no exposures in countries other than Sweden, the UK and France where a counter-cyclical buffer above 0 per cent. is applied.

The Issuer will cancel any payment in respect of the Notes if and to the extent that payment of the same would result in a breach of the Solvency Condition

All payments in respect of or arising from the Notes are conditional upon the Issuer being solvent at the time of payment by the Issuer and immediately thereafter. Condition 4.3 provides that (except in a winding-up of the Issuer) no payment of principal, interest or any other amount in respect of the Notes shall be due and payable unless the Issuer is able to make such payment and still be solvent immediately thereafter (the "**Solvency Condition**"). Non-payment of any interest or principal as a result of the Solvency Condition shall not constitute a default on the part of the Issuer for any purpose under the terms of the Notes, and holders of the Notes will not be entitled to accelerate the principal of the Notes or take any other enforcement as a result of any such non-payment.

The Notes may be traded with accrued interest, but (i) under certain circumstances described above, such interest will be cancelled and not paid on the relevant Interest Payment Date and (ii) the Issuer retains full discretion to cancel interest otherwise scheduled to be paid on the relevant Interest Payment Date

The Notes may trade, and/or the prices for the Notes may appear, in any trading systems and/or on any stock exchange on which the Notes are for the time being quoted, with accrued interest. If this occurs, purchasers of Notes in the secondary market will pay a price that reflects such accrued interest upon purchase of the Notes. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Notes will not be entitled to that interest payment (or, if the Issuer elects to make a payment of a portion, but not all, of such interest payment, the portion of such interest payment not paid) on the relevant Interest Payment Date.

Upon the occurrence of a Trigger Event, the principal amount of the Notes will be Written Down

The Notes are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 capital of the Issuer and the Group. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Conditions of the Notes. One of these relates to the ability of the Notes and the proceeds of their issue to be available to absorb any losses of any of the Issuer and the Group.

Accordingly, if at any time the CET1 Ratio (calculated and determined as provided in the Conditions) of the Issuer and/or the Group falls below 5.125 per cent. (a "**Trigger Event**"), the Issuer shall immediately notify the Swedish FSA and, without delay and by no later than one month (or such other period as the Swedish FSA may then require) from the occurrence of the relevant Trigger Event, shall:

(a) cancel all interest accrued to (but excluding) the Write Down Date (whether or not such interest has become due for payment and including any interest scheduled for payment on the Write Down Date); and

(b) (without the need for the consent of the Holders) reduce the then Outstanding Principal Amount of each Note by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" being construed accordingly).

The relevant Write Down Amount of each Note will be the lower of (i) and (ii) below:

(i) the amount per Note which is determined by the Issuer to be necessary (in conjunction with (a) the concurrent Write Down of the other Notes and (b) the concurrent (or substantially concurrent) write-down or conversion into equity of, or other loss absorption measures taken in respect of, any other Loss Absorbing Instruments) to restore each of the Issuer's and/or the Group's (as applicable) CET1 Ratio to at least 5.125 per cent. (and so that the lowest of such CET1 Ratios is equal to (or as near as is practicable equal to but not less than) 5.125 per cent.); and

(ii) the amount necessary to reduce the Outstanding Principal Amount of each Note to nil.

Write Down of the Notes will be effected, save as may otherwise be required by the Swedish FSA, *pro rata* with (a) the concurrent Write Down of the other Notes and (b) the concurrent (or substantially concurrent) write-down or conversion into equity, as the case may be, of any Loss Absorbing Instruments (based on the prevailing principal amount of the relevant Loss Absorbing Instrument), provided, however, that:

(1) with respect to each Loss Absorbing Instrument (if any), such *pro rata* write down or conversion shall only be taken into account to the extent required to restore the relevant CET1 Ratio(s) to the lower of (i) such Loss Absorbing Instrument's trigger level and (ii) 5.125 per cent. (being the level at which a Trigger Event occurs in respect of the Notes); and

(2) if for any reason the Issuer is unable to effect the concurrent (or substantially concurrent) write-down or conversion of any given Loss Absorbing Instruments within the period required by the Swedish FSA, the Notes will be Written Down notwithstanding that the relevant Loss Absorbing Instruments are not also written down or converted (and, in such circumstances, the Write Down Amount may be higher than would otherwise have been the case).

For the avoidance of doubt, any Loss Absorbing Instruments with a trigger level expressed by reference to a relevant CET1 Ratio falling below a level which is equal to or higher than 5.125 per cent. may be expected to share losses *pro rata* with the Notes until the relevant CET1 Ratio(s) have been restored to 5.125 per cent. If, at the relevant time, there are outstanding any Loss Absorbing Instruments with a trigger level expressed by reference to a relevant CET1 Ratio falling below a level which is lower than 5.125 per cent., such Loss Absorbing Instruments may be expected, under their terms, to share losses *pro rata* with the Notes only if any relevant CET1 Ratio(s) fall below such lower threshold, and only to the extent necessary to restore the relevant CET1 Ratio(s) to such lower threshold.

The Write Down of the Notes will affect the claims of the Holders in various respects. Firstly, in the event of a winding-up of the Issuer, the claims of the Holders will be in respect of the Outstanding Principal Amount of the Notes at the time of the winding-up of the Issuer, and not for the Original Principal Amount. Similarly, upon a redemption of the Notes by the Issuer following the occurrence of a Capital Event or a Tax Event, the redemption amount of each Note will be its Outstanding Principal Amount (together with accrued and unpaid interest) and not its Original Principal Amount.

Secondly, interest will accrue only on the Outstanding Principal Amount of the Notes from time to time, and accordingly for so long as the Outstanding Principal Amount of the Notes is less than their Original Principal Amount, the maximum amount of interest which may be paid by the Issuer (subject always to applicable payment restrictions and interest cancellation as provided above) on any Interest Payment Date shall be less than if no Write Down had occurred.

In addition, as the occurrence of a Trigger Event is linked to the CET1 Ratios of the Issuer and the Group, any reduction in any such CET1 Ratio may have an adverse effect on the market price of the Notes, and such adverse effect may be particularly significant if there is any indication or expectation that either CET1 Ratio is or may be trending towards 5.125 per cent.

A Write Down may occur on any one or more occasions, and the Outstanding Principal Amount of the Notes may be reduced in part or in whole. Holders will not be entitled to any compensation or other payment as a result of any Write Down of the Notes. Accordingly, if a Trigger Event occurs, Holders could lose all or part of the value of their investment in the Notes if the Issuer subsequently redeems the Notes or a winding-up of the Issuer occurs.

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, which may be outside the control of the Issuer. The determination by the Issuer or the Swedish FSA (or its agent) that a Trigger Event has occurred shall be based on information (whether or not published) available to management of the Issuer or the Group, including information internally reported within the Group and/or shared with the Swedish FSA pursuant to procedures for ensuring effective on-going monitoring of the capital ratios of the Issuer and the Group. Accordingly, whether or not either CET1 Ratio is trending towards 5.125 per cent. may not be easily visible to Holders or other prospective investors. Accordingly, investors may be unable to accurately predict if and when a Trigger Event may occur. See "*The circumstances surrounding or triggering a Write Down are unpredictable, and there are a number of factors, any of which may be outside the Issuer's control, that could affect the CET1 Ratio of the Issuer and/or the Group*" below.

The Issuer publishes information regarding the regulatory capital ratios of the Issuer and the Group as part of its financial statements each quarter. However, there can be no assurance that the Issuer and the Group will publicly report such information at such intervals or at any other time.

Whilst the Conditions provide for Discretionary Reinstatement of the principal amount of the Notes in certain circumstances, any such Discretionary Reinstatement will be in the sole and absolute discretion of the Issuer, there is no provision for the automatic Discretionary Reinstatement of the Notes in any circumstances and any Discretionary Reinstatement will be subject to certain restrictions. Discretionary Reinstatement may only occur if each of the Issuer and the Group generates a net profit in any given financial year, and only a specified percentage of the lowest of any such profits will be available for the Issuer to apply (in its sole discretion) to a Discretionary Reinstatement of the Notes. See Condition 8 (*Discretionary Reinstatement of the Notes*) for further details on the calculation of such amount. Further, a Discretionary Reinstatement will not be effected in circumstances where it would cause a Trigger Event, or would result in any Maximum Distributable Amount then applicable to the Issuer and/or the Group to be exceeded. Even if, following a Trigger Event, the Issuer and the Group each record net profits, there can be no assurance that any Discretionary Reinstatement of any part of the principal amount of the Notes will be effected.

In addition to Write Down of the Notes in accordance with the Conditions, the principal amount of the Notes may be written down or converted to common equity tier 1 instruments pursuant to the BRRD – see "*The Notes may also be written down or converted to common equity tier 1 instruments under the Bank Recovery and Resolution Directive*" below.

The circumstances surrounding or triggering a Write Down are unpredictable, and there are a number of factors, any of which may be outside the Issuer's control, that could affect the CET1 Ratio of the Issuer and/or the Group

The occurrence of a Trigger Event is inherently unpredictable and depends on a number of factors, which may be outside the control of the Issuer. The CET1 Ratio of each of the Issuer and the Group can be expected to fluctuate on an on-going basis and could be affected by one or more factors, including, among other things, changes in the mix of the business of the Issuer and/or the Group, major events affecting their respective earnings, distributions payments, regulatory changes (including changes to definitions and calculations of the CET1 Ratio and its components, including Common Equity Tier 1 and Risk Weighted Assets) and their ability to manage Risk Weighted Assets.

In making strategic decisions, including in respect of capital management, the Issuer is required to have regard to the interests of all stakeholders in the Issuer as a whole and not to prioritise the particular interests of any group of stakeholders (such as investors in the Notes or other capital providers). Holders will not have any claim against the Issuer or any other member of the Group in relation to strategic decisions that affect the business and operations of the Issuer or Group, including if such decisions result in a deterioration in their capital position and an increased risk of the occurrence of a Trigger Event.

Further, the calculation of the CET1 Ratio of the Issuer and/or the Group may also be affected by changes in applicable accounting rules, or by changes to regulatory adjustments which modify the regulatory capital impact of accounting rules, whether or not the fundamental underlying data of the Issuer and/or the Group which feeds into such accounting or regulatory framework changes.

It will be difficult to predict when, if at all, a Trigger Event may occur. Accordingly, the trading behaviour of the Notes is not necessarily expected to follow the trading behaviour of other types of securities without this feature. Any indication that a Trigger Event may occur can be expected to have a material adverse effect on the market price of the Notes.

The Notes may also be written down or converted to common equity tier 1 instruments under the Bank Recovery and Resolution Directive

As described in more detail above under "*The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of the Notes*" and "*Loss absorption at the point of non-viability of the Issuer*", pursuant to the BRRD as implemented in Sweden, the Swedish resolution authorities have the power, in certain circumstances, to write down securities such as the Notes or convert them to common equity tier 1 instruments (in whole or in part) either in a resolution pursuant the general bail-in tool or under the non-viability capital write-down tool (which may be used without putting the Issuer or the Group into resolution).

If the Notes are written down or converted to common equity tier 1 instruments pursuant to the BRRD, this will result in a reduction (which may be to nil) of the Outstanding Principal Amount of the Notes, which will reduce the claims of holders in a winding-up of the Issuer, the amount of interest which accrues on the Notes and the amount at which the Issuer may elect to redeem the Notes in circumstances where it is entitled to do so.

The allocation of losses upon exercise of such powers is generally intended to respect the creditor hierarchy, with losses first being born in full by the most junior-ranking investors in the relevant institution. The Notes are deeply subordinated obligations of the Issuer and rank only in priority to its share capital. Accordingly, if either the general bail-in tool or the non-viability capital write-down tool are employed in respect of the Issuer or the Group, it is highly likely that investors in the Notes would lose all or substantially all of their investment. Further, to the extent that these powers are used to convert the Notes into common equity tier 1 instruments, such common equity tier 1 instruments could be further subject to any subsequent use of these powers, resulting in such instruments being cancelled or heavily diluted. These risks that the Notes may be written down or converted into common equity tier 1 instruments, the circumstances in which such powers may be used and the expectation that holders of additional tier 1 instruments (such as the Notes) would suffer losses after only shareholders and before any other creditors were not affected by the EU Banking Reforms which were finalised and published in the Official Journal of the EU on 7 June 2019.

Any such conversion to equity or write-off of all or part of an investor's principal (including accrued but unpaid interest) shall not constitute an event of default and investors in the Notes will have no further claims in respect of any amount so converted or written off. The exercise of any such power may be inherently unpredictable and may depend on a number of factors which may be outside the Issuer's control. Any such exercise, or any suggestion or market expectation that the Notes could become subject to such exercise, could, therefore, materially adversely affect the market price and/or trading volatility of the Notes.

The Notes do not contain events of default and the enforcement rights available to Holders under the Notes are limited

There are no events of default in respect of the Notes and Holders will not be entitled at any time to file for liquidation (*likvidation*) or bankruptcy (*konkurs*) or other winding-up or dissolution of the Issuer in Sweden or elsewhere.

If the Issuer is declared bankrupt (*konkurs*) or put into liquidation (*likvidation*) or otherwise subject to winding-up or dissolution (other than an Excluded Winding-Up), in Sweden or elsewhere and whether initiated by the Issuer or any other person, the Holder of any Note may prove or claim in such bankruptcy, liquidation, winding-up or dissolution (such claim being for payment of the Outstanding Principal Amount of such Note at the time of commencement of such winding-up together with any interest accrued and unpaid on such Note (to the extent that the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding commencement of such winding-up and any other amounts payable on such Note

under the Conditions) but such claim will be deeply subordinated and the Holder may lose all or substantially all of its investment in the Notes.

A Holder may not take any proceedings which oblige the Issuer to pay any sum or sums sooner than the same would otherwise have been payable by it.

The Notes are not protected under any deposit guarantee scheme

Sweden has a state-approved deposit guarantee scheme, which guarantees retail deposits up to specified thresholds. The Notes do not benefit from such deposit guarantee scheme and, moreover, are not guaranteed or insured by any government, government agency or compensation scheme of Sweden or any other jurisdiction.

There is no scheduled redemption date for the Notes and Holders have no right to require redemption

The Notes have no fixed maturity. The Issuer has no obligation at any time to redeem the Notes, and the Holders have no rights to require redemption or purchase of the Notes by the Issuer at any time.

The Issuer may redeem the Notes (in whole but not in part) in its sole discretion, subject to the approval of the Swedish FSA and to compliance with Applicable Banking Regulations, on the First Call Date or any Interest Payment Date thereafter at their Redemption Amount. Further, following the occurrence of a Capital Event or a Tax Event, the Issuer may redeem the Notes (in whole but not in part) in its sole discretion, subject to the approval of the Swedish FSA and to compliance with Applicable Banking Regulations, at any time at their Redemption Amount.

At any time when the Notes may be redeemed by the Issuer or the market anticipates that the redemption right will become available, the market price of the Notes is unlikely to substantially exceed the price at which the Issuer may elect to redeem the Notes. If the Issuer redeems the Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case Holders may only be able to reinvest the redemption proceeds in Notes with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether a Tax Event or a Capital Event will occur and lead to circumstances in which the Issuer may elect to redeem the Notes, and if so whether or not the Issuer will satisfy the conditions, or elect, to redeem the Notes. The Issuer may be more likely to exercise its option to redeem the Notes at a time when its funding costs would be lower than the prevailing interest rate payable in respect of the Notes. If the Notes are so redeemed, there can be no assurance that Holders will be able to reinvest the amounts received upon redemption at a rate that will provide as favourable a rate of return as their investment in the Notes.

Limitation on gross-up obligation under the Notes

The Issuer's obligation under Condition 11 to pay additional amounts in the event of any withholding or deduction in respect of Swedish taxes on any payments under the terms of the Notes applies only to payments of interest and not to payments of principal. As such, the Issuer would not be required to pay any additional amounts under the terms of the Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under the Notes, Holders may receive less than the full amount of principal due under the Notes upon redemption, and the market value of the Notes may be adversely affected.

Substitution and variation

If at any time a Tax Event or a Capital Event occurs, the Issuer may, instead of giving notice to redeem the Notes as aforesaid, but solely to the extent permitted at such time by Applicable Banking Regulations and subject to the approval of the Swedish FSA, having given not less than 30 nor more than 60 days' notice to the holders of the Notes, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes provided that they remain or become, Qualifying Additional Tier 1 Notes.

Whilst Qualifying Additional Tier 1 Notes must have terms which (as reasonably determined by the Issuer) are not materially less favourable to the Holders than the Notes, there can be no assurance that the terms of the substitute or varied Notes will be as favourable to all Holders in all circumstances.

The Notes are novel and complex financial instruments that involve a high degree of risk and may not be a suitable investment for all investors

The Notes are novel and complex financial instruments that involve a high degree of risk. As a result, an investment in the Notes will involve certain increased risks. Each potential investor of the Notes must determine the suitability (either alone or with the help of a financial adviser) 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 Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment 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 Notes, including where such potential investor's financial activities are principally denominated in a currency other than euro, and the possibility that substantially the entire principal amount of the Notes could be lost in the event of a Write Down or other write down of the Notes;

(iv) understand thoroughly the terms of the Notes (including, in particular, calculation of the CET1 Ratio of each of the Issuer and the Group, as well as under what circumstances the Trigger Event will occur and the circumstances in which interest payments must be cancelled); and

(v) be able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Sophisticated investors generally do not purchase complex financial instruments that bear a high degree of risk as stand-alone investments. They purchase such financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Notes unless they have the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the likelihood of cancellation of interest and/or Write Down and the value of the Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Offering Circular.

The Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg; investors will have to rely on the clearing system procedures for transfer, payment and communication with the Issuer

The Notes will, upon issue, be deposited with, and registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive individual note certificates ("**Note Certificates**"). Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Notes represented by the Global Certificate. While the Notes are in global form, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg, as the case may be.

While the Notes are in global form, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of the common depositary. A holder of a beneficial interest in a Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg, as the case may be, to receive payments under the

Notes. The Issuer has no responsibility or liability for the records relating to, or payments made by Euroclear and Clearstream, Luxembourg in respect of, beneficial interests in such Notes represented by the Global Certificate.

Enforceability of judgments

For as long as the Article 50 Withdrawal Agreement is in force, a final and conclusive judgment in civil or commercial matters obtained in the courts of England against the Issuer, which is enforceable in England and Wales, would be recognised and enforceable in Sweden, without re-examination or re-litigation of the matter, subject to and in accordance with the provisions of the Withdrawal Agreement.

Once the Withdrawal Agreement is no longer in force and unless there is at such time an agreement in place between Sweden and the United Kingdom providing otherwise, a final judgment in civil or commercial matters obtained in the courts of England, against the Issuer, which is enforceable in England and Wales, will, in principle, neither be recognised nor enforceable in Sweden. However, if any Holder of the Notes brings a new action in a competent court in Sweden, the final judgment rendered in an English court may be submitted to the Swedish court, but will only be regarded as evidence of the outcome of the dispute to which it relates, and the Swedish court has full discretion to rehear the dispute *ab initio*.

Investors who hold less than the €200,000 may be unable to sell their Notes and may be adversely affected if Note Certificates are subsequently required to be issued

The Notes have denominations consisting of a minimum denomination of €200,000 plus integral multiples of €1,000 in excess thereof. It is possible that such Notes may be traded in amounts in excess of €200,000 that are not integral multiples of such minimum specified denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the €200,000 in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of €200,000 such that its holding amounts to €200,000. Further, a Holder who, as a result of trading such amounts, holds an amount which is less than €200,000 in its account with the relevant clearing system at the relevant time will not be entitled to receive a Note Certificate in respect of such holding (should Note Certificates be printed) and would need to purchase additional Notes such that it holds at least a principal amount of €200,000 in order to receive its Note Certificate representing those Notes.

If such Note Certificates are issued, holders should be aware that Note Certificates which have a denomination that is not an integral multiple of €200,000 may be illiquid and difficult to trade.

Meetings of Holders and modification

The Fiscal Agency Agreement and the Conditions of the Notes contain provisions for calling meetings of Holders to consider matters affecting their interests generally, or otherwise to pass resolutions in writing or through an electronic consents process. These provisions permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meeting or, as the case may be, who did not sign the relevant written resolution or submit electronic consents and Holders who voted in a manner contrary to the majority.

In addition, the Fiscal Agent and the Issuer may agree, without the consent of the Holders, to:

(i) any modification (except such modifications in respect of which an increased quorum is required as mentioned in Condition 16.1) to the Notes and/or the Conditions which is, in the sole opinion of the Issuer, not prejudicial to the interests of the Holders; or

(ii) subject to Condition 9.7 (*Conditions to redemption etc.*), any modification to the Notes and/or the Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Holders.

With respect to (i) above, the inclusion of a term in the Conditions that prohibits or restricts the Issuer's discretion to cancel payments of interest otherwise scheduled to be paid on an Interest Payment Date following the occurrence of a Capital Event will be treated as a modification which is not prejudicial to the interests of the Holders, provided that the inclusion of such term does not result in the occurrence of a Capital Event or a Tax Event.

Regulation and reform of "benchmarks" may adversely affect the value of the Notes

Following the First Call Date, interest amounts payable under the Notes are calculated by reference to the annual mid-swap rate for swap transactions denominated in euro with a term of 5 years, which appears on the Reuters information service designated as the "ICESWAP2" page.

This swap-rate, the Euro Interbank Offered Rate ("**EURIBOR**") underlying the floating leg of this swap rate and other interest rates or other types of rates and indices which are deemed "benchmarks" (each a "**Benchmark**") have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or to have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the Notes.

Under the Conditions, certain benchmark replacement provisions will apply if a Benchmark (or any component part thereof) used as a reference for the calculation of interest amounts payable under the Notes were to be discontinued or otherwise became unavailable.

The Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark rate, such as the 5 year Mid-Swap Rate and EURIBOR (including any page on which such benchmark may be published (or any successor service)), becomes unavailable or a Benchmark Event (as defined in the Conditions) otherwise occurs in relation to any such benchmark rate. Such fallback arrangements include the possibility that the Reset Interest Rate (or, the relevant component part thereof) could be set or, as the case may be, determined by reference to a Successor Rate or an Alternative Rate (each as defined in the Conditions) determined by an Independent Adviser (as defined in the Conditions), that, if a Successor Rate or an Alternative Rate (as the case may be) is so determined, an Adjustment Spread (as defined in the Conditions) shall also be determined by the relevant Independent Adviser and that amendments to the Conditions and/or the Fiscal Agency Agreement may be made (without the consent of the Holders) to ensure the proper operation of the Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread. Investors should note that the relevant Independent Adviser will have discretion to determine the applicable Adjustment Spread in the circumstances described in the Conditions, and in any event an Adjustment Spread may not be effective in reducing or eliminating any economic prejudice to investors arising out of the replacement of the original benchmark rate with the Successor Rate or the Alternative Rate (as the case may be). Any such adjustment or amendment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Holder, any such adjustment will be favourable to each Holder.

The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread) will still result in any Notes referencing an original benchmark rate performing differently (which may include payment of a lower rate of interest) than they would if the Original Reference Rate were to continue to apply in its current form. No consent of the Holders shall be required in connection with effecting any relevant Successor Rate or Alternative Rate (as applicable) or any other related adjustments and/or amendments described above.

In certain circumstances (including, in the case of the Notes, if the Independent Adviser appointed by the Issuer fails to make the necessary determination of a Successor Rate or Alternative Rate or (in either case) the applicable Adjustment Spread), the ultimate fallback for determining the rate of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for the Notes based on the rate which was last observed on the relevant screen page for the purposes of determining the rate of interest in respect of an Interest Period. Due to the uncertainty concerning the availability of Successor Rates and Alternative Rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Furthermore, it is possible that the 5 Year Mid-Swap Rate will continue to be published on the Screen Page but with the EURIBOR component of such rate being replaced with a successor or alternative rate, with the effect that no Benchmark Event will occur but that the basis of determination of the 5 Year Mid-Swap Rate may not be directly comparable to the rates displayed on the Screen Page on or around the Issue Date.

Any such consequences could have a material adverse effect on the value of and return on the Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

In addition, potential investors should also note that no Successor Rate or Alternative Rate (as applicable) will be adopted, no Adjustment Spread will be applied and no other amendments to the Conditions and/or the Fiscal Agency Agreement will be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Qualifying Additional Tier 1 Notes.

In all such circumstances, the ultimate fallback for determining the rate of interest (which is described above) will apply.

Change of law

The Conditions of the Notes will be governed by the laws of England save that the provisions regarding subordination of the Notes, Write Down, Discretionary Reinstatement and any other write-down or conversion to common equity tier 1 instruments of the Notes in accordance with Swedish law and regulation applicable to the Issuer from time to time will be governed by the laws of Sweden. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or Sweden or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of the Notes if affected by it.

Legality of purchase

Neither the Issuer nor any of its affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it. Prospective investors will be required to give the representations, warranties, agreements and undertakings as set out on page 3 of this Offering Circular.

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued and there can be no assurance that one will develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes.

If a market for the Notes does develop, the trading price of the Notes may be subject to wide fluctuations in response to many factors, including those referred to in this risk factor, as well as stock market fluctuations and general economic conditions that may adversely affect the market price of the Notes. Publicly traded Notes from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them, and such volatility may be increased in an illiquid market. If any market in the Notes does develop, it may become severely restricted, or may disappear, if the financial condition and/or the CET1 Ratio of the Issuer and/or the Group deteriorates such that there is an actual or perceived increased likelihood of the Issuer being unable or unwilling to pay interest on the Notes in full, or of the Notes being Written Down or otherwise subject to loss absorption or an applicable statutory loss absorption

regime. In addition, the market price of the Notes may fluctuate significantly in response to a number of factors, some of which are beyond the Issuer's control, including:

- variations in operating results of the Issuer and/or the Group;
- any shortfall in revenue or net profit or any increase in losses from levels expected by market commentators;
- increases in capital expenditure compared with expectations;
- any perception that the Issuer's and/or the Group's strategy is or may be less effective than previously assumed or that the Issuer and/or the Group is not effectively implementing any significant projects;
- changes in financial estimates by Notes analysts;
- changes in market valuations of similar entities;
- announcements by the Issuer and/or the Group of significant acquisitions, strategic alliances, joint ventures, new initiatives, new services or new service ranges;
- regulatory matters, including changes in regulations or Swedish FSA requirements;
- additions or departures of key personnel; and
- future issues or sales of Notes or other securities.

Any or all of these events could result in material fluctuations in the price of Notes which could lead to investors losing some or all of their investment.

The issue price of the Notes might not be indicative of prices that will prevail in the trading market, and there can be no assurance that an investor would be able to sell its Notes at or near the price which it paid for them, or at a price that would provide it with a yield comparable to more conventional investments that have a developed secondary market.

Moreover, although the Issuer or any member of the Group may (subject to the approval of the Swedish FSA and compliance with Applicable Banking Regulations) purchase Notes at any time permitted by applicable law and regulation, they have no obligation to do so. Purchases made by the Issuer or any member of the Group could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

In addition, prospective investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Offering Circular), whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Notes in secondary re-sales even if there is no decline in the performance of the Notes or the financial condition of the Issuer or the Group. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Although application has been made for the Notes to be admitted to trading on Euronext Dublin, there is no assurance that such application will be accepted or that an active trading market will develop.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or euro may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (i) the Investor's Currency-

equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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 Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

The value of the Notes may be adversely affected by movements in market interest rates

Investment in the Notes, which bear a fixed rate of interest (which will be reset on each Reset Date), involves the risk that if market interest rates subsequently increase above the relevant rate paid on the Notes, this will adversely affect the value of the Notes.

In addition, a Holder of the Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income.

Credit ratings may not reflect all risks and may be lowered, suspended, withdrawn or not maintained

The Notes will be unrated upon issue and the Issuer does not intend to solicit a rating in respect of the Notes. The Issuer has been rated "Baa3" in respect of long-term unsubordinated debt and "P-3" in respect of short-term debt by Moody's. The Notes or, as the case may be, the Issuer may also be assigned unsolicited credit ratings by any rating agency. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes or the standing of the Issuer.

A rating is not a recommendation to buy, sell or hold securities and any rating agency may revise, suspend or withdraw at any time the relevant rating assigned by it if, in the sole judgement of the relevant rating agency, among other things, the credit quality of the Notes or, as the case may be, the Issuer has declined or is in question. In addition, there is no guarantee that any rating of the Notes and/or the Issuer will be maintained following the date of this Offering Circular. If any rating assigned to the Notes and/or the Issuer, including any unsolicited credit rating, is assigned at a lower level than expected or subsequently revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Notes may be reduced.

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any adverse changes of such methodologies may materially and adversely affect the Issuer's operations or financial condition, the Issuer's willingness or ability to leave individual transactions outstanding and adversely affect the Issuer's capital market standing. In particular, there is an on-going debate about rating methodologies for hybrid capital instruments such as the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Notes are legal investments for it, (ii) the Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

The parts specified below of the following documents, which have previously been published and have been filed with Euronext Dublin, shall be incorporated in, and form part of, this Offering Circular:

(a) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2018 of the Issuer including the notes thereto (which can be viewed at http://ir.hoistfinance.com/afw/files/press/hoist/201904038878-1.pdf);

(b) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2017 of the Issuer including the notes thereto (which can be viewed at http://ir.hoistfinance.com/afw/files/press/hoist/201804107190-1.pdf);

(c) the unaudited reviewed interim consolidated financial statements for the six months ended 30 June 2019 of the Issuer including the notes thereto (which can be viewed at: http://ir.hoistfinance.com/afw/files/press/hoist/201907300272-1.pdf); and

(d) the Year-end report 2019 of the Issuer (including the unaudited consolidated annual financial statements for the financial year ended 31 December 2019 of the Issuer and the notes thereto) (which can be viewed at: http://ir.hoistfinance.com/afw/files/press/hoist/202002113878-1.pdf).

Any information other than the financial statements (including the notes thereto and, where applicable, the audit reports thereon) contained in documents (a) - (c) listed above is not incorporated by reference herein whereas document (d) listed above shall be incorporated by reference herein in its entirety. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The information specified above shall be incorporated in, and form part of this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained, upon request, free of charge from the registered office of the Issuer and the specified offices of the Paying and Transfer Agents during normal business hours.

OVERVIEW OF THE NOTES

This Overview of the Notes contains a brief description of certain features of the Notes, and is subject to and qualified in its entirety by the information contained in "Terms and Conditions of the Notes" and in the Fiscal Agency Agreement. Capitalised terms used but not otherwise defined in this Overview of the Notes shall have the meanings given to them under "Terms and Conditions of the Notes".

The Issuer:	Hoist Finance AB (publ).
The Group:	Hoist Finance AB (publ) together with its consolidated subsidiaries as a whole.
Joint Lead Managers:	Citigroup Global Markets Limited Nordea Bank Abp
Fiscal Agent:	Citibank, N.A., London Branch
Principal Paying and Transfer Agent:	Citibank, N.A., London Branch
Registrar:	Citigroup Global Markets Europe AG
The Notes:	€40,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Capital Notes.
Issue Price:	100.00 per cent. of the principal amount of the Notes.
Issue Date:	26 February 2020.
Status and Subordination:	*Status* The Notes will constitute undated, unsecured and subordinated obligations of the Issuer, will rank *pari passu* without any preference among themselves and will be subordinated on a winding-up as provided below. *Subordination* In the event of the voluntary or involuntary liquidation (*likvidation*) of the Issuer or the bankruptcy (*konkurs*) or other winding-up or dissolution of the Issuer in Sweden or elsewhere (other than an Excluded Winding-Up, as defined in the Conditions), claims in respect of the Notes (including claims for damages in respect of any breach of the Issuer's obligations thereunder) shall rank (a) *pari passu* without any preference among themselves and with claims in respect of Parity Securities; (b) in priority to claims in respect of Junior Securities; and (c) junior to any present or future claims of Senior Creditors. *Solvency Condition* Save in the case of a liquidation, bankruptcy or other winding-up or dissolution of the Issuer, no payment of principal, interest or any other amount in respect of the Notes shall be due and payable unless the Issuer is able to make such payment and still be solvent immediately thereafter. The Issuer shall be considered to be solvent if (x) it is able to pay its debts owed to Senior Creditors as they fall due and (y) its Assets exceed its Liabilities (each as defined in the conditions). *Set-off*

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation, counterclaim or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Notes, whether in a liquidation (*likvidation*), bankruptcy (*konkurs*) or otherwise, and each Holder shall, by virtue of its holding of any Note, be deemed to have waived all such rights of set-off, compensation, counterclaim or retention.

Principal Loss Absorption:

Trigger Event and Write-Down

If at any time the CET1 Ratio of the Issuer and/or the Group has fallen below 5.125 per cent. (calculated and determined as provided in the Conditions) (a "**Trigger Event**"), then the Issuer shall immediately notify the Swedish FSA and, without delay and by no later than one month (or such other period as the Swedish FSA may then require) from the occurrence of the relevant Trigger Event, shall:

(i) cancel all interest accrued to (but excluding) the Write Down Date (whether or not such interest has become due for payment and including any interest scheduled for payment on the Write Down Date); and

(ii) (without the need for the consent of the holders) reduce the then Outstanding Principal Amount of each Note by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" being construed accordingly).

Loss Absorbing Instruments

Write Down of the Notes will be effected, save as may otherwise be required by the Swedish FSA, *pro rata* with (a) the concurrent Write Down of the other Notes; and (b) the concurrent (or substantially concurrent) write-down or conversion into equity, as the case may be, of any Loss Absorbing Instruments (based on the prevailing principal amount of the relevant Loss Absorbing Instrument), provided that:

(1) with respect to each Loss Absorbing Instrument (if any), such *pro rata* write down or conversion shall only be taken into account to the extent required to restore the relevant CET1 Ratio(s) to the lower of (i) such Loss Absorbing Instrument's trigger level and (ii) 5.125 per cent. (being the level at which a Trigger Event occurs in respect of the Notes); and

(2) if for any reason the Issuer is unable to effect the concurrent (or substantially concurrent) write-down or conversion of any given Loss Absorbing Instruments within the period required by the Swedish FSA, the Notes will be Written Down notwithstanding that the relevant Loss Absorbing Instruments are not also written down or converted.

For the avoidance of doubt, to the extent that the Issuer is unable to write down or convert any Loss Absorbing Instruments as aforesaid, the Write Down Amount determined in accordance with part (i) of the definition of "Write Down Amount" will be calculated on the basis that such Loss Absorbing Instruments are not available to be written down or converted, and accordingly the Write Down Amount determined in accordance with that part (i) will be higher than it would otherwise have been if such Loss Absorbing Instruments had been available to be written down or converted.

Write Down Amount

"**Write Down Amount**" means, with respect to each Note (calculated per Calculation Amount if the Notes are in definitive form), save as may otherwise be required by Applicable Banking Regulations, the lower of (i) and (ii) below:

(i) the amount per Note which is determined by the Issuer to be necessary (in conjunction with (a) the concurrent Write Down of the other Notes and (b) the concurrent (or substantially concurrent) write-down or conversion into equity of, or other loss absorption measures taken in respect of, any other Loss Absorbing Instruments, in each case in the manner and to the extent provided above under *"Loss Absorbing Instruments"*) to restore each of the Issuer's and/or the Group's (as applicable) CET1 Ratio to at least 5.125 per cent. (and so that the lowest of such CET1 Ratios is equal to (or as near as is practicable equal to but not less than) 5.125 per cent.); and

(ii) the amount necessary to reduce the Outstanding Principal Amount of each Note to nil.

"**Calculation Amount**" means €1,000 in principal amount of each Note.

The principal amount of a Note shall not at any time be reduced to below nil as a result of a Write Down.

Cancellation not automatic

If the Outstanding Principal Amount of the Notes is Written Down to nil, the Notes will not be automatically cancelled.

Write Down may occur on more than one occasion; No default

A Trigger Event may occur on more than one occasion and each Note may be Written Down on more than one occasion. Any such Write Down shall not constitute a default under the terms of the Notes for any purpose.

Discretionary Reinstatement:

Discretionary Reinstatement

If, at any time following a Write Down, each Relevant Entity records a positive Net Profit, the Issuer may, in its sole and absolute discretion, increase the Outstanding Principal Amount of the Notes (a "**Discretionary Reinstatement**") by such amount (calculated per Calculation Amount if the Notes are in definitive form) as the Issuer may elect, provided that such Discretionary Reinstatement shall not:

(i) result in the Outstanding Principal Amount of the Notes being greater than their Original Principal Amount; or

(ii) result in the occurrence of a Trigger Event; or

(iii) cause any Maximum Distributable Amount then applicable to the Issuer and/or the Group to be exceeded; or

(iv) result in the Maximum Write-up Amount to be exceeded when taken together with the aggregate of:

(a) any previous Discretionary Reinstatement of the Notes out of the same Relevant Profits since the Reference Date (if any);

(b) the aggregate amount of any interest on the Notes that has been paid or calculated (but disregarding any such calculated interest which has been cancelled) since the Reference Date on the basis of an Outstanding Principal Amount that is lower than the Original Principal Amount;

(c) the aggregate amount of the increase in principal amount of the Written-Down Additional Tier 1 Instruments to be written-up out of the same Relevant Profits concurrently (or substantially concurrently) with the Discretionary Reinstatement and (if applicable) any previous increase in principal amount out of the same Relevant Profits of such Written-Down Additional Tier 1 Instruments since the Reference Date; and

(d) the aggregate amount of any interest on such Written-Down Additional Tier 1 Instruments that have been paid or calculated (but disregarding any such calculated interest which has been cancelled) since the Reference Date on the basis of a prevailing principal amount that is lower than the original principal amount at which such Written-Down Additional Tier 1 Instruments were issued.

The "**Maximum Write-up Amount**" means:

(A) (i) the Relevant Profits, multiplied by (ii) the sum of the aggregate Original Principal Amount of the Notes and the aggregate original principal amount of all Written-Down Additional Tier 1 Instruments issued directly or indirectly by the Relevant Entity whose Net Profits are the Relevant Profits referred to in (A)(i), divided by (iii) the total Tier 1 Capital of such Relevant Entity as at the date of the relevant Discretionary Reinstatement; or

(B) such higher amount as may be permissible pursuant to Applicable Banking Regulations then in force.

Write-up of Written-Down Additional Tier 1 Instruments

Any Discretionary Reinstatement shall be applied concurrently (or substantially concurrently) and *pro rata* with other write-ups to be effected out of the Relevant Profits in respect of any Written-Down Additional Tier 1 Instruments.

The Issuer will not reinstate the principal amount of any Written-Down Additional Tier 1 Instrument that have terms permitting a write-up of such principal amount to occur out of the Relevant Profits on a similar basis to that set out in respect of the Notes unless it does do on a *pro rata* basis with a Discretionary Reinstatement of the Notes.

Discretionary Reinstatement may occur on more than one occasion

A Discretionary Reinstatement may occur on one or more occasions until the Outstanding Principal Amount of the Notes has been reinstated to the Original Principal Amount.

For the avoidance of doubt, Discretionary Reinstatement shall apply to the Notes only if, and to the extent that, the Notes have been Written Down following the occurrence of a Trigger Event in accordance with the provisions of "*Principal Loss Absorption*" above. If at any time the Notes are written down or converted to common equity tier 1 instruments pursuant to the BRRD

(as further described below), the principal amount by which the Notes are written down or converted pursuant to the BRRD shall not be reinstated (whether by way of Discretionary Reinstatement or otherwise) in any circumstances.

Loss Absorption under the Bank Recovery and Resolution Directive

In addition to the provisions of "*Principal Loss Absorption*" above, the Notes may be written down or converted to common equity tier 1 instruments by the relevant resolution authorities pursuant to the directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (Directive 2014/59/EU) (as amended) (known as the "**Bank Recovery and Resolution Directive**" or "**BRRD**") or any law or regulation implementing the BRRD, as further described in "*Risk Factors – "The Notes may also be written down or converted to common equity tier 1 instruments under the Bank Recovery and Resolution Directive*".

Maximum Distributable Amount:

The Issuer will cancel payment of any amount, and no payment (or deemed payments) will be made, on the Notes (whether by way of principal, interest, Discretionary Reinstatement or otherwise) if and to the extent that such payment would, when aggregated together with (i) other distributions of the kind referred to in Article 141(2) of the CRD Directive (or any CRD Implementation Measure transposing or implementing Article 141(2) of the CRD Directive, as amended or replaced) and (ii) any distributions of the kind referred to in any analogous restrictions arising from any requirement to meet any applicable buffers under Applicable Banking Regulations, cause any Maximum Distributable Amount (if any) then applicable to the Issuer or the Group to be exceeded. See "*Risk Factors – Payments on the Notes will be subject to the Maximum Distributable Amount introduced under CRD*".

Interest:

Subject as described below under "*Cancellation of Interest Payments*", the Notes will bear interest on their Outstanding Principal Amount from time to time at the relevant rate of interest, payable annually in arrear on 26 February in each year from (and including) 26 February 2021 (each such date for the payment of interest being an "**Interest Payment Date**").

The initial rate of interest shall be 7.750 per cent. per annum, which shall apply from (and including) the Issue Date to (but excluding) the First Call Date.

Such rate will be reset on the First Call Date and on each fifth anniversary of the First Call Date (together with the First Call Date, each a "**Reset Date**") as the sum of the applicable 5 Year Mid-Swap Rate (calculated as set out in the Conditions) plus the initial credit spread of 8.053 per cent.

Cancellation of Interest Payments:

Optional cancellation of interest

The Issuer may elect at any time, in its sole and absolute discretion, to cancel (in whole or in part) any payment of interest otherwise scheduled to be paid on an Interest Payment Date.

Non-payment of any amount of interest scheduled to be paid on an Interest Payment Date will constitute evidence of cancellation of the relevant payment, whether or not notice of cancellation has been given by the Issuer.

Insufficient Distributable Items

Payments of interest in respect of the Notes in any financial year (and, if applicable, any additional amounts payable in respect thereof pursuant to Condition 11) shall only be made out of Distributable Items of the Issuer. The Issuer will cancel any interest otherwise scheduled to be paid on an Interest Payment Date if and to the extent that the amount of such interest (together

with any additional amounts payable in respect thereof pursuant to Condition 11), when aggregated together with any interest payments or distributions which have been made or which are required to be paid or made during the then current financial year on all other own funds items of the Issuer (excluding any such interest payments or distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items), exceeds the amount of Distributable Items of the Issuer as at such Interest Payment Date.

Maximum Distributable Amount

In addition, the Issuer will also cancel any interest to the extent required as provided above under "*Maximum Distributable Amount*".

Solvency Condition

The Issuer will also cancel any interest if and to the extent that payment of the same would result in a breach of the Solvency Condition as provided above under "*Status and Subordination*".

Interest non-cumulative; no default:

If the payment of interest scheduled on an Interest Payment Date is cancelled, in whole or in part, in accordance with the provisions of "*Cancellation of Interest Payments*" above, the Issuer shall not have any obligation to make such interest payment (or the cancelled part thereof) on such Interest Payment Date or any time thereafter and the failure to pay such interest (or the cancelled part thereof) shall not (i) constitute a default of the Issuer under the Notes for any purpose; (ii) constitute any event related to the insolvency of the Issuer nor entitle Holders to take any action to cause the Issuer to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Issuer; or (iii) in any way limit or restrict the Issuer from making any payment of interest or equivalent payments or other distributions in connection with any instrument, including (without limitation) instruments ranking *pari passu* with or junior to the Notes.

Any such interest will not accumulate or be payable at any time thereafter, the Issuer will not be obliged to (and will not) make any other payment or settlement in any form in lieu thereof, and holders of the Notes shall have no right thereto whether in a winding-up of the Issuer or otherwise.

Benchmark Discontinuation:

If a Benchmark Event occurs, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which, an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments, as further described in Condition 5.7.

Redemption:

The Notes have no fixed maturity date.

The Issuer may, upon giving not less than 30 nor more than 60 days' notice to holders, in its sole discretion (and without the requirement for the consent or approval of the holders) elect to redeem the Notes in whole (but not in part):

(i) on 26 February 2025 (the "**First Call Date**") or any Interest Payment Date thereafter, subject to the proviso below; or

(ii) at any time upon the occurrence of a Tax Event or a Capital Event,

in each case at their Redemption Amount.

Purchase:

The Issuer or any member of the Group may at any time permitted by

	applicable law and regulation (and subject to applicable law and regulation) purchase Notes, whether in the open market, in the context of market making, or otherwise, at any price in accordance with applicable laws and regulations, provided that no such purchase will be effected unless the prior approval of the Swedish FSA is obtained.
Conditions to redemption and purchase:	Any redemption of the Notes by the Issuer, and any purchase of the Notes by the Issuer or any member of the Group, will be subject to the prior approval of the Swedish FSA (unless such approval is no longer required by the Swedish FSA or Applicable Banking Regulations) and to compliance with all applicable laws and regulations, including the Applicable Banking Regulations. In the case of a redemption of the Notes as a result of a Tax Event, the tax consequences of such event must also be material and the relevant tax law change must not have been reasonably foreseeable as at the Issue Date. In the case of a redemption of the Notes as a result of a Capital Event, the change in regulatory classification must not have been reasonably foreseeable as at the Issue Date.
Substitution and variation	If at any time a Tax Event or a Capital Event occurs, the Issuer may, instead of giving notice to redeem the Notes as aforesaid, but solely to the extent permitted at such time by Applicable Banking Regulations and subject to the approval of the Swedish FSA, having given not less than 30 nor more than 60 days' notice to the holders of the Notes, either substitute all (but not some only) of the Notes for, or vary the terms of the Notes provided that they remain or become, Qualifying Additional Tier 1 Notes (having terms not materially less favourable to a holder than the terms of the Notes, as reasonably determined by the Issuer).
Enforcement on a winding up:	There are no events of default in respect of the Notes. Holders shall not be entitled at any time to file for liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer. If the Issuer is declared bankrupt (*konkurs*) or put into liquidation (*likvidation*) or otherwise subject to winding-up, in each case by a court or agency or supervisory authority of competent jurisdiction in Sweden or elsewhere and whether initiated by the Issuer or any other person, the Holder of any Note may prove or claim in such bankruptcy, liquidation or winding-up (such claim being for payment of the Outstanding Principal Amount of such Note together with any interest accrued and unpaid on such Note (to the extent the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding commencement of such bankruptcy, liquidation or winding-up to (but excluding) the date of commencement of the relevant bankruptcy, liquidation or winding-up proceedings and any other amounts payable on such Note (including any damages payable in respect thereof)), provided that such claim shall rank as provided above under "*Status and Subordination*".
Form and Denomination:	The Notes will be issued in registered form in the denominations of €200,000 and integral multiples of €1,000 in excess thereof. The Notes will initially be represented by a global Note certificate (the "**Global Certificate**") which will be deposited on or about the Issue Date with a common depositary and registered in the name of a nominee of a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**").
Clearing:	The Notes will be cleared through Euroclear and Clearstream, Luxembourg.

Taxation:	All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In the event of any such withholding or deduction in respect of payments of interest (but not principal), save as set out in the Conditions, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts of interest received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and construed in accordance with, English law except that (i) the provisions relating to subordination, Write Down and Discretionary Reinstatement and any non-contractual obligations arising out of or in connection with such provisions and (ii) any other write-down or conversion to equity of the Notes in accordance with Swedish law and regulation applicable to the Issuer from time to time, will in each case be governed by, and construed in accordance with, Swedish law.
Listing and trading:	Application has been made to Euronext Dublin for the Notes to be admitted to the Official List of Euronext Dublin to trading on the Global Exchange Market.
Selling Restrictions:	United States (Regulation S), Sweden, the United Kingdom and Japan. The Notes are not intended to be sold and should not be sold to retail clients in the EEA (including, for these purposes, the United Kingdom), as defined in the rules set out in the PI Rules other than in circumstances that do not and will not give rise to a contravention of those rules by any person. See the section headed "*Restrictions on marketing and sales to retail investors*" on page 3 of this Offering Circular for further information.
Ratings:	The Notes will be unrated on issue and the Issuer does not intend to solicit a rating for the Notes. The Issuer has been rated "Baa3" in respect of long-term unsubordinated debt and "P-3" in respect of short-term debt by Moody's. Moody's is not established in the European Union (which includes, for this purpose, the United Kingdom) but its ratings are endorsed by Moody's Investors Services Limited which is registered under the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
ISIN:	XS2121223353
Common Code:	212122335

TERMS AND CONDITIONS OF THE NOTES

The following (except for paragraphs in italics, which are included by way of disclosure only) is the text of the Terms and Conditions of the Notes which (subject to modification) will be endorsed on the Note Certificates issued in respect of the Notes (if issued).

1. Introduction

1.1 *Notes*: The €40,000,000 Fixed Rate Reset Perpetual Additional Tier 1 Capital Notes (the "**Notes**") are issued by Hoist Finance AB (publ) (the "**Issuer**").

1.2 *Fiscal Agency Agreement*: The Notes are issued subject to and with the benefit of a Fiscal Agency Agreement dated 26 February 2020 (as supplemented, amended and/or replaced from time to time, the "**Fiscal Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as fiscal agent and principal paying and transfer agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent and principal paying and transfer agent appointed from time to time in connection with the Notes), Citigroup Global Markets Europe AG as Registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes) and Citibank Europe plc as a paying and transfer agent (together with the Fiscal Agent, the "**Paying and Transfer Agents**", which expression includes any successor and additional paying and transfer agents appointed from time to time in connection with the Notes).

1.3 *Summaries*: Certain provisions of these Conditions are summaries of the Fiscal Agency Agreement and are subject to its detailed provisions. The holders of the Notes are bound by, and are deemed to have notice of, all the provisions of the Fiscal Agency Agreement applicable to them. Copies of the Fiscal Agency Agreement are available for inspection by Holders during normal business hours at the Specified Offices (as defined in the Fiscal Agency Agreement) of each of the Paying and Transfer Agents and the Registrar.

2. Definitions and Interpretation

2.1 *Definitions*: In these Conditions the following expressions have the following meanings:

"**2014 RTS**" means Commission Delegated Regulation (EU) No. 241/2014 of 7 January 2014, supplementing the CRR with regard to regulatory technical standards for own funds requirements for institutions, as amended or replaced from time to time;

"**Accounting Currency**" means SEK or such other primary currency used in the presentation of the Issuer's and/or the Group's accounts (as the context requires) from time to time;

"**Additional Tier 1 Capital**" means Additional Tier 1 capital (*Primärkapital*) as defined in the Applicable Banking Regulations;

"**Adjustment Spread**" means either (i) a spread (which may be positive, negative or zero), or (ii) a formula or methodology for calculating a spread, in either case which is to be applied to the relevant Successor Rate or Alternative Rate (as applicable) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) in the case of an Alternative Rate or (where (i) above does not apply) in the case of a Successor Rate, the Independent Adviser determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions

which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(C) if neither (A) nor (B) above applies, the Independent Adviser determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Agent Bank**" has the meaning given to such term in Condition 5.3 (*Reset Interest Rate*);

"**Alternative Rate**" means an alternative to the Original Reference Rate which the Independent Adviser determines in accordance with Condition 5.7(ii) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates equivalent to the Reset Interest Rate (or the relevant component part thereof) in euro, or if the Independent Adviser determines that there is no such rate, such other rate as the Independent Adviser determines in its sole discretion is most comparable to the Original Reference Rate;

"**Applicable Banking Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy then in effect in Sweden (or, if the Issuer becomes subject to primary prudential supervision in a jurisdiction other than Sweden, in such other jurisdiction) including, without limitation to the generality of the foregoing, CRD, any CRD Implementation Measures and those regulations, requirements, guidelines and policies relating to capital adequacy of the Swedish FSA, in each to the extent then in effect in Sweden (or such other jurisdiction as aforesaid), whether or not such requirements, guidelines or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Group;

"**Assets**" means the unconsolidated gross assets of the Issuer as shown in its latest published audited balance sheet, but adjusted for subsequent events in such manner as the Issuer may determine;

"**Benchmark Event**" means, with respect to an Original Reference Rate:

(i) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered; or

(ii) the later of (A) the making of a public statement by the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (B) the date falling six months prior to the specified date referred to in (ii)(A); or

(iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued; or

(iv) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (B) the date falling six months prior to the specified date referred to in (iv)(A); or

(v) the later of (A) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in

each case on or before a specified date and (B) the date falling six months prior to the specified date referred to in (v)(A); or

(vi) it has or will, prior to the next Reset Interest Determination Date, become unlawful for the Issuer or any Agent Bank to calculate any payments due to be made to any Holder using the Original Reference Rate; or

(vii) the making of a public statement by the supervisor of the administrator of such Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used;

"**BRRD**" means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including by BRRD II);

"**BRRD II**" means Directive 2019/879/EU of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, as the same may be amended or replaced from time to time;

"**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and Stockholm and on which the TARGET2 System is operating;

"**Calculation Amount**" means €1,000 in principal amount of each Note;

A "**Capital Event**" means the determination by the Issuer, after consultation with the Swedish FSA, that as a result in a change (or pending change) in the regulatory classification of the Notes under the Applicable Banking Regulations, all or some of the Outstanding Principal Amount of the Notes is (or would be) excluded from the Tier 1 Capital of the Issuer and/or the Group;

"**CET1 Capital**" means, at any date, with respect to a Relevant Entity, the sum, expressed in the Accounting Currency, of all amounts that constitute common equity tier 1 capital of such Relevant Entity as at such date, less any deductions from common equity tier 1 capital required to be made as at such date, in each case as calculated by the Issuer or the Swedish FSA (or any agent appointed by the Swedish FSA for the purpose of making such calculation) in accordance with the Applicable Banking Regulations and on the basis that all measures used in such calculation shall (for so long as the same apply to the Relevant Entity) be calculated applying the transitional provisions set out in the Applicable Banking Regulations as interpreted by the Swedish FSA;

"**CET1 Ratio**" means, at any date, with respect to a Relevant Entity, the ratio of CET1 Capital of such Relevant Entity as at such date to the Risk Weighted Assets of such Relevant Entity as at such date, expressed as a percentage and calculated by the Issuer or the Swedish FSA (or any agent appointed by the Swedish FSA for the purpose of making such calculation) in accordance with the Applicable Banking Regulations and on the basis that all measures used in such calculation shall (for so long as the same apply to the Relevant Entity) be calculated applying the transitional provisions set out in the Applicable Banking Regulations as interpreted by the Swedish FSA;

"**Change in Law**" means (a) any amendment to, clarification of, or change (including any announced prospective change) in the laws or treaties (or any regulations thereunder) of Sweden or any political subdivision or taxing authority thereof or therein affecting taxation, (b) any governmental action in Sweden or any amendment to, clarification of, or change in the position or interpretation of such laws or treaties (or any regulations thereunder) or governmental action or any official interpretation, decision or pronouncement that provides for a position with respect to such law, treaty (or regulations thereunder) or governmental action that differs from the theretofore generally accepted position, in each case, by any

legislative body, court, governmental authority or regulatory body in Sweden or any political subdivision or taxing authority thereof or therein, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification, change, action, pronouncement or decision is effective or such action, pronouncement or decision is announced on or after the Issue Date;

"**Code**" means the U.S. Internal Revenue Code of 1986;

"**CRD**" means, taken together, the (i) CRD Directive (ii) CRR and (iii) CRD Implementation Measures;

"**CRD Directive**" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as implemented in Sweden and including as amended or replaced from time to time (including by the CRD V Directive);

"**CRD Implementation Measures**" means any regulatory capital rules implementing or transposing (or promulgated in the context of) the CRD Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts or regulations (including technical standards) adopted by the European Commission, national laws and regulations adopted by the Swedish FSA and guidelines issued by the Swedish FSA, the European Banking Authority or any other relevant authority, which are applicable to the Issuer and/or the Group, as applicable;

"**CRD V Directive**" means Directive 2019/878 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU, as the same may be amended or replaced from time to time;

"**CRR**" means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on the prudential requirements for credit institutions and investment firms and amending Regulation (EU) No. 648/2012, as implemented and/or applicable in Sweden and including as amended or replaced from time to time (including by the CRR II);

"**CRR II**" means Regulation (EU) 2019/876 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013, and Regulation (EU) No 648/2012, as amended or replaced from time to time;

"**Discretionary Reinstatement**" has the meaning given to such term in Condition 8.1 (*Discretionary Reinstatement of the Notes*);

"**Distributable Items**" has the meaning given to such term in Article 4(1)(128) of CRR (or any replacement or successor provision thereto) as interpreted and applied by the Swedish FSA in the accordance with the Applicable Banking Regulations;

"**euro**" and "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and "**cent**" shall be construed accordingly;

"**Excluded Winding-Up**" means a solvent liquidation, winding-up or dissolution solely for the purposes of any reorganisation, reconstruction or amalgamation of the Issuer on terms which (i) have been approved by an Extraordinary Resolution of the Holders and (ii) do not provide that the Notes shall thereby become redeemable or repayable in accordance with these Conditions;

"**Extraordinary Resolution**" has the meaning given to such term in the Fiscal Agency Agreement;

"**First Call Date**" means 26 February 2025;

"**Full Loss Absorbing Instruments**" has the meaning given to such term in Condition 7.5 (*Full Loss Absorbing Instruments*);

"**Group**" means the Issuer together with its consolidated subsidiaries as a whole;

"**Holders**" has the meaning given to such term in Condition 3.2 (*Register*);

"**Initial Interest Rate**" has the meaning given to it in Condition 5.1 (*Interest Rate*);

"**Interest Payment Date**" has the meaning given to such term in Condition 5.2 (*Interest Payment Dates and Interest Periods*);

"**Interest Period**" has the meaning given to such term in Condition 5.2 (*Interest Payment Dates and Interest Periods*);

"**Issue Date**" means 26 February 2020;

"**Junior Securities**" means all classes of share capital of the Issuer and any obligations of the Issuer ranking or expressed to rank junior to the Notes;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise in the international debt capital markets appointed by the Issuer, at its own expense, under Condition 5.7(i);

"**Liabilities**" means the unconsolidated gross liabilities of the Issuer as shown in its latest published audited balance sheet, but adjusted for contingent liabilities and for subsequent events in such manner as the Issuer may determine;

"**Loss Absorbing Instrument**" means, at any time, any instrument (other than the Notes) issued directly or indirectly by the Issuer or any other member of the Group which has terms pursuant to which all or some of its principal amount may be written-down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of a trigger set by reference to the relevant CET1 Ratio(s) falling below a specific threshold;

"**Margin**" has the meaning given to such term in Condition 5.3 (*Reset Interest Rate*);

"**Maximum Distributable Amount**" means any applicable maximum distributable amount relating to the Issuer and/or the Group required to be calculated in accordance with Article 141 of the CRD Directive (or, as the case may be, any CRD Implementation Measure transposing or implementing such requirement), or any analogous restrictions arising from any requirement to meet any applicable buffers under Applicable Banking Regulations;

"**Maximum Write-up Amount**" means:

(i) (a) the Relevant Profits, multiplied by (b) the sum of the aggregate Original Principal Amount of the Notes and the aggregate original principal amount of all Written-Down Additional Tier 1 Instruments issued directly or indirectly by the Relevant Entity whose Net Profits are the Relevant Profits referred to in (i)(a), divided by (c) the total Tier 1 Capital of such Relevant Entity as at the date of the relevant Discretionary Reinstatement; or

(ii) such higher amount as may be permissible pursuant to Applicable Banking Regulations then in force;

"**Net Profit**" means, at any time: (i) with respect to the Issuer, the non-consolidated net profit (excluding minority interests) of the Issuer; and (ii) with respect to the Group, the consolidated net profit (excluding

minority interests) of the Group, in each case determined on the basis of the audited annual accounts for the then most recent financial year of the Relevant Entity;

"**Original Principal Amount**" means, in respect of a Note, its principal amount on the Issue Date not taking into account any Write Down or any other write-down, conversion to equity or cancellation or any subsequent Discretionary Reinstatement;

"**Original Reference Rate**" means any benchmark or screen rate (as applicable) originally specified for the purposes of determining the relevant Reset Interest Rate (or any component part thereof) in respect of any Interest Period(s) (provided that if, following one or more Benchmark Events, such originally specified benchmark or screen rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term **Original Reference Rate** shall include any such Successor Rate or Alternative Rate);

"**Outstanding Principal Amount**" means, in relation to each Note, the Original Principal Amount of such Note, as reduced from time to time by any Write Downs or any other write-down, conversion to equity or cancellation, as the case may be, and, if applicable, as subsequently increased from time to time by any Discretionary Reinstatement in accordance with the terms of the Notes;

"**Parity Securities**" means any present or future instruments issued by the Issuer which are eligible to be recognised as Additional Tier 1 Capital from time to time by the Swedish FSA, any guarantee, indemnity or other contractual support arrangement entered into by the Issuer in respect of securities (regardless of name or designation) issued by a subsidiary of the Issuer which are eligible to be recognised as Additional Tier 1 Capital and any instruments issued, and subordinated guarantees, indemnities or other contractual support arrangements entered into, by the Issuer which rank, or are expressed to rank, *pari passu* therewith;

"**Proceedings**" has the meaning given to such term in Condition 20.2 (*Governing Law and Submission to Jurisdiction*);

"**Relevant Nominating Body**" means, in respect of an Original Reference Rate:

(i) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Original Reference Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof;

"**Qualifying Additional Tier 1 Notes**" means securities (whether debt, equity or otherwise) issued directly by the Issuer or issued by another member of the Group and unconditionally and irrevocably guaranteed by the Issuer where such securities and/or such guarantee, as appropriate:

(i) have terms not materially less favourable to a holder of the Notes, as reasonably determined by the Issuer, than the terms of the Notes;

(ii) subject to (i) above, shall (1) rank at least equal to the ranking of the Notes, (2) have the same currency, the same (or higher) interest rate and the same Interest Payment Dates as those from time to time applying to the Notes, (3) have the same redemption rights as the Notes, (4) comply with the then current requirements of Applicable Banking Regulations in relation to Additional Tier 1 Capital and (5) preserve any existing rights under the Notes to any accrued interest which has not

been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of substitution or variation; and

(iii) if the Notes were listed on any market(s) or stock exchange(s) immediately prior to such substitution or variation, are listed on the same market(s) or stock exchange(s) or another regulated market or stock exchange of equivalent standing;

"**Rate of Interest**" has the meaning given to such term in Condition 5.3 (*Reset Interest Rate*);

"**Redemption Amount**" means, in the case of any redemption of the Notes on any redemption date, the Outstanding Principal Amount of the Notes on such redemption date together with any unpaid interest accrued (if any) from (and including) the Interest Payment Date immediately preceding such redemption date (or, if none, the Issue Date) to (but excluding) such redemption date;

"**Reference Date**" means the accounting date as at which the applicable Relevant Profits were determined;

"**Relevant Amounts**" means the Outstanding Principal Amounts of the Notes, together with any accrued but unpaid interest insofar as it has not been cancelled and additional amounts due on the Notes pursuant to Condition 11 (*Taxation*). References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority;

"**Relevant Date**" has the meaning given to such term in Condition 11.2 (*Gross up*);

"**Relevant Entity**" means the Issuer or the Group, as the case may be;

"**Relevant Profits**" means the lowest of the relevant Net Profit of the Issuer and the Group;

"**Relevant Resolution Authority**" means the resolution authority with the ability to exercise any Statutory Loss Absorption Powers in relation to the Issuer;

"**Reset Date**" has the meaning given to such term in Condition 5.3 (*Reset Interest Rate*);

"**Reset Interest Rate**" has the meaning given to such term in Condition 5.3 (*Reset Interest Rate*);

"**Risk Weighted Assets**" means, at any date, with respect to a Relevant Entity, the aggregate amount, expressed in the Accounting Currency, of the risk weighted assets of such Relevant Entity as at such date, as calculated by the Issuer or the Swedish FSA (or any agent appointed by the Swedish FSA for the purpose of making such calculation), in accordance with the Applicable Banking Regulations. For the purposes of this definition, the term "risk weighted assets" means the risk weighted assets or total risk exposure amount, as calculated by the Issuer or the Swedish FSA (or its appointed agent as aforesaid), as applicable, in accordance with Applicable Banking Regulations;

"**SEK**" means Swedish Krona, being the currency of Sweden;

"**Senior Creditors**" means (a) depositors of the Issuer, (b) other unsubordinated creditors of the Issuer and (c) subordinated creditors of the Issuer in respect of any present or future obligation (including, without limitation, obligations which are eligible to be recognised as Tier 2 Capital and any obligation in respect of a guarantee, indemnity or other support arrangement entered into by the Issuer), whether dated or undated, of the Issuer which by its terms is, or is expressed to be, subordinated in the event of bankruptcy, liquidation, dissolution or other winding up of the Issuer, to the claims of depositors and all other unsubordinated creditors of the Issuer, excluding Parity Securities and Junior Securities;

"**Solvency Condition**" has the meaning given in Condition 4.3 (*Solvency Condition*);

"**Specified Office**" has the meaning given to such term in the Fiscal Agency Agreement;

"**Statutory Loss Absorption Powers**" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements applicable to the Issuer, relating to (i) the transposition of the BRRD and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the Issuer (or any affiliate of the Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the Issuer or any other person (or suspended for a temporary period);

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

"**Sweden**" means the Kingdom of Sweden;

"**Swedish FSA**" means the Swedish Financial Supervisory Authority (*Finansinspektionen*) or such other governmental authority in Sweden (or, if the Issuer becomes subject to primary prudential supervision in a jurisdiction other than Sweden, in such other jurisdiction) having primary prudential supervisory authority with respect to the Issuer;

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System;

"**TARGET Business Day**" means a day on which the TARGET2 System is operating;

A "**Tax Event**" will occur if, as a result of a Change in Law:

(A) the Issuer is or will be required to pay additional amounts as provided in Condition 11 (*Taxation*); or

(B) the Issuer is, or will be, subject to additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes; or

(C) the treatment of any of the Issuer's items of income or expense with respect to the Notes as reflected on the tax returns (including estimated returns) filed (or to be filed) by the Issuer will not be respected by a taxing authority, which subjects the Issuer to additional taxes, duties or other governmental charges;

"**Tier 1 Capital**" means, at any time, with respect to a Relevant Entity, the Tier 1 capital of such Relevant Entity as calculated by the Issuer or the Swedish FSA (or any agent appointed by the Swedish FSA for the purpose of making such calculation) in accordance with the Applicable Banking Regulations, subject always to applicable transitional and grandfathering arrangements as interpreted by the Swedish FSA;

"**Tier 2 Capital**" means Tier 2 capital (*Supplementärt kapital*) as defined in Applicable Banking Regulations;

"**Trigger Event**" has the meaning given to such term in Condition 7.1 (*Loss Absorption Following a Trigger Event*);

"**Write Down**" and "**Written Down**" have the meanings given to such terms in Condition 7.1 (*Loss Absorption Following a Trigger Event*);

"**Write Down Amount**" has the meaning given to such term in Condition 7.4 (*Write Down Amount*);

"**Write Down Date**" has the meaning given to such term in Condition 7.2 (*Write Down Notice*);

"**Write Down Notice**" has the meaning given to such term in Condition 7.2 (*Write Down Notice*); and

"**Written-Down Additional Tier 1 Instruments**" means, at any time, any instrument (other than the Notes) issued directly or indirectly by the Issuer or, as applicable, any member of the Group, which is qualifying as Additional Tier 1 Capital of the Issuer or the Group, as applicable, and which, immediately prior to the relevant Discretionary Reinstatement, has a prevailing principal amount lower than the principal amount that it was originally issued with due to such principal amount having been written down on a temporary basis pursuant to its terms.

2.2 *Interpretation*: In these Conditions:

(i) any reference to principal shall be deemed to include the Outstanding Principal Amount and any other amount in the nature of principal payable pursuant to these Conditions;

(ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(iii) references to Notes being "outstanding" shall be construed in accordance with the Fiscal Agency Agreement; and

(iv) any reference to a numbered "**Condition**" shall be to the relevant Condition in these Terms and Conditions.

3. Form, Denomination, Title and Transfer

3.1 *Form of Notes and denomination*: The Notes are issued in registered form in the denominations of €200,000 and integral multiples of €1,000 in excess thereof.

The Outstanding Principal Amount of the Notes may be adjusted as provided in Condition 7 (*Loss Absorption Following a Trigger Event*) and Condition 8 (*Discretionary Reinstatement of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Issuer. Any such adjustment to the Outstanding Principal Amount of the Notes will not have any effect on the denomination of the Notes.

3.2 *Register*: The Registrar will maintain outside the United Kingdom a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Fiscal Agency Agreement. In these Conditions, the holder of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Holder**" and "**holder**" shall be construed accordingly. A certificate (each, a "**Note Certificate**") will be issued to each Holder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. The Register will record the Original Principal Amount and the Outstanding Principal Amount from time to time of the Notes held by a Holder, and each Note Certificate will identify the Original Principal Amount of the Notes represented thereby and the Outstanding Principal Amount of such Notes at the time of issue of the Note Certificate (but the Outstanding Principal Amount identified on such Note Certificate shall not be treated as evidencing the Outstanding Principal Amount of the Notes represented by such Note Certificate at any other time).

3.3 *Title*: The Holder of a Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder.

3.4 *Transfers*: Subject as provided under Conditions 3.7 and 3.8 below, a Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed (including any certificates as to compliance with restrictions on transfer included therein), at the Specified Office of the Registrar or any Paying and Transfer Agent, together with such evidence as the Registrar or (as the

case may be) such Paying and Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

3.5 *Registration and delivery of Note Certificates*: Within five Business Days of the surrender of a Note Certificate, the Registrar will register the transfer in question and deliver at its Specified Office new Note Certificate(s) of a like principal amount to the Notes transferred to each relevant Holder or (as the case may be) the Specified Office of any Paying and Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first-class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "Business Day" means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city in which the Registrar or the relevant Paying and Transfer Agent (as the case may be) has its Specified Office.

3.6 *No charge*: The transfer of any Notes will be effected without charge by or on behalf of the Issuer, the Registrar or any Paying and Transfer Agent but upon payment by the Holder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Paying and Transfer Agent may require).

3.7 *Closed periods*: Holders may not require transfers to be registered during the period of 30 days ending on the due date for any payment of principal or interest in respect of the Notes.

3.8 *Regulations concerning transfers and registration*: All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Fiscal Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar and the Paying and Transfer Agent.

4. Status of the Notes

4.1 *Status:* The Notes constitute undated, unsecured and subordinated obligations of the Issuer, and will at all times rank *pari passu* without any preference among themselves. The Notes are subordinated as described in this Condition 4 (*Status of the Notes*).

4.2 *Subordination:* In the event of the voluntary or involuntary liquidation (*likvidation*), bankruptcy (*konkurs*) or other winding-up or dissolution of the Issuer in Sweden or elsewhere (other than an Excluded Winding-Up), claims in respect of the Notes (including claims for damages in respect of any breach of the Issuer's obligations thereunder) shall rank:

(i) *pari passu* without any preference among themselves and with claims in respect of Parity Securities;

(ii) in priority to claims in respect of Junior Securities; and

(iii) junior to any present or future claims of Senior Creditors.

4.3 *Solvency Condition*: Save in the case of a liquidation, bankruptcy or other winding-up or dissolution of the Issuer (in which case Condition 4.2 shall apply), no payment of principal, interest or any other amount in respect of the Notes shall be due and payable unless the Issuer is able to make such payment and still be solvent immediately thereafter (the "**Solvency Condition**"). The Issuer shall be considered to be solvent if (x) it is able to pay its debts owed to Senior Creditors as they fall due and (y) its Assets exceed its Liabilities. A report as to the solvency of the Issuer by two Directors shall, in the absence of manifest error, be treated and accepted by the Issuer and the Holders as correct and sufficient evidence thereof.

4.4 *No set-off*: Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation, counterclaim or retention in respect of any amount owed to it by the Issuer in respect of, or

arising under or in connection with, the Notes, whether in a liquidation (*likvidation*), bankruptcy (*konkurs*) or otherwise, and each Holder shall, by virtue of its holding of any Note, be deemed to have waived any and all such rights of set-off, compensation, counterclaim or retention.

5. Interest

5.1 *Interest Rate*: The Notes bear interest on their Outstanding Principal Amount from time to time from (and including) the Issue Date to (but excluding) the First Call Date at a fixed rate of 7.750 per cent. per annum (the "**Initial Interest Rate**") and thereafter at the applicable Reset Interest Rate (as defined below).

5.2 *Interest Payment Dates and Interest Periods*: Subject to Condition 6 (*Interest Cancellation*) and Condition 7.1 (*Loss Absorption Following a Trigger Event*), interest will be payable annually in arrear on 26 February in each year from (and including) 26 February 2021 (each an "**Interest Payment Date**").

The period from (and including) the Issue Date to (but excluding) the first Interest Payment Date, and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date, is called an "**Interest Period**". The interest payable (subject as aforesaid) on any Interest Payment Date will be the interest accrued in respect of the Interest Period ending immediately prior to such Interest Payment Date.

5.3 *Reset Interest Rate*: On the First Call Date and each fifth anniversary of such date (together with the First Call Date, each a "**Reset Date**"), the rate of interest will be reset to a fixed rate of interest (each a "**Reset Interest Rate**" and, together with the Initial Interest Rate, each a "**Rate of Interest**") determined in accordance with the following provisions of this Condition 5.3. The Reset Interest Rate determined with respect to a Reset Date shall apply to the Notes from (and including) such Reset Date to (but excluding) the next succeeding Reset Date.

The Reset Interest Rate with respect to any Reset Date shall be the rate of interest determined by the Fiscal Agent as agent bank or another agent bank duly appointed by the Issuer (the "**Agent Bank**") at or around the Relevant Time on the relevant Reset Interest Determination Date as the sum of the relevant 5 Year Mid-Swap Rate and the Margin (provided that if the Reset Interest Rate so determined would be less than nil, the Reset Interest Rate in respect of such Reset Date shall be nil).

In this Condition 5.3:

"**5 Year Mid-Swap Rate**" means, subject to Condition 5.7 (*Benchmark Discontinuation*), with respect to a Reset Date and the relative Reset Interest Determination Date:

(A) the mid-swap rate for euro swap transactions with a maturity of five years (quoted on an annual basis), expressed as a percentage, which appears on the Screen Page at the Relevant Time; or

(B) if such rate does not appear on the Screen Page at the Relevant Time, the Reset Reference Bank Rate on such Reset Interest Determination Date;

"**5-year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and offered rates quoted by the Reference Banks at the Relevant Time for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating interest rate swap transaction in euro which: (A) has a term of five years commencing on the relevant Reset Date; (B) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and (C) has a floating leg which is based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis);

"**30/360**" means, with respect to any period, the number of days in such period to (but excluding) the relevant payment date, divided by 360, calculated on the basis of a year of 360 days with twelve 30-day months;

"**Actual/360**" means, with respect to any period, the actual number of days in such period to (but excluding) the relevant payment date, divided by 360;

"**Margin**" means 8.053 per cent.;

"**Reference Banks**" means five major banks in the interbank market in the euro-zone as selected by the Issuer;

"**Relevant Time**" means, with respect to a Reset Interest Determination Date, at or around 11:00 a.m. (Central European time) on such Reset Interest Determination Date;

"**Reset Interest Determination Date**" means, with respect to a Reset Date, the day falling two TARGET Business Days prior to such Reset Date;

"**Reset Reference Bank Rate**" means, in relation to a Reset Date and the relevant Reset Interest Determination Date, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reference Banks to the Agent Bank at or around the Relevant Time. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate in respect of the relevant Reset Date will be (i) in the case of each Reset Date other than the First Call Date, the 5 Year Mid-Swap Rate in respect of the immediately preceding Reset Date or (ii) in the case of the First Call Date, minus (-) 0.303 per cent.; and

"**Screen Page**" means the display page on the relevant Reuters information service designated as the "ICESWAP2" page or such other page as may replace it on that information service, or on such other equivalent information service as may be nominated by the person providing or sponsoring such information, in each case for the purpose of displaying equivalent or comparable rates to the 5 Year Mid-Swap Rate.

5.4 *Calculation of Amount of interest*: The amount of interest payable (subject to Condition 6 (*Interest Cancellation*) and Condition 7.1 (*Loss Absorption Following a Trigger Event*)) in respect of a Note shall be calculated per Calculation Amount. The amount of interest per Calculation Amount for any period shall be calculated by the Agent Bank by (a) applying the prevailing Rate of Interest to the Calculation Amount, (b) multiplying such sum by the Day Count Fraction and (c) rounding the resultant figure to the nearest cent (half a cent being rounded upwards or otherwise in accordance with applicable market convention). The amount of interest payable (subject as aforesaid) in respect of such Note shall be the amount determined per Calculation Amount multiplied by a fraction, the numerator of which is the Outstanding Principal Amount of such Note and the denominator is the Calculation Amount, without any further rounding.

If, pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*) or Condition 8 (*Discretionary Reinstatement of the Notes*) or as otherwise required by then current legislation and/or regulations applicable to the Issuer, the Outstanding Principal Amount of the Notes is reduced and/or reinstated during an Interest Period, the amount of interest will be adjusted by the Agent Bank to reflect interest having accrued on the relevant Outstanding Principal Amount during each part of such Interest Period.

In these Conditions "**Day Count Fraction**" means, in respect of the calculation of interest for any period, a fraction the numerator of which is the number of days in the relevant interest accrual period from (and including) the Interest Payment Date (or, if none, the Issue Date) on which such interest begins to accrue to (but excluding) the date on which it falls due, and the denominator of which is the number of days from (and including) such Interest Payment Date (or, as the case may be, the Issue Date) to (but excluding) the next (or first) Interest Payment Date.

The interest amount which (subject to Condition 6 (*Interest Cancellation*) and Condition 7.1 (*Loss Absorption Following a Trigger Event*) shall be payable on each Interest Payment Date up to (and including) the First Call Date will (if paid in full, and assuming no Write Down or other write-down or conversion to equity of the Notes has occurred) be €77.50 per Calculation Amount.

5.5 *Determination and notification of Reset Interest Rate*: The Agent Bank will, on each Reset Interest Determination Date, determine the Reset Interest Rate applicable to the corresponding Reset Date. The Fiscal Agent shall, promptly following determination thereof, cause such Reset Interest Rate to be notified to the Issuer, to the Holders in accordance with Condition 17 (*Notices*) and, if the Notes are listed on a stock exchange and the rules of such exchange so require, to such exchange (or listing agent as the case may be).

5.6 *Accrual of interest*: Each Note will cease to bear interest from the due date for redemption unless payment of the Outstanding Principal Amount in respect thereof is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition until whichever is the earlier of:

(i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Holder; and

(ii) the day which is seven days after the Fiscal Agent has notified the Holders in accordance with Condition 17 (*Notices*) that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

5.7 *Benchmark Discontinuation*:

(i) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate at any time when these Conditions provide for any remaining Reset Interest Rate (or any component part thereof) to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5.7(ii)) and (in either case) an Adjustment Spread (in accordance with Condition 5.7(iii)) and any Benchmark Amendments (in accordance with Condition 5.7(iv)).

An Independent Adviser appointed pursuant to this Condition 5.7 shall act in good faith and in a commercially reasonable manner and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Issuer, the Paying and Transfer Agents, the Agent Bank or the Holders for any determination made by it pursuant to this Condition 5.7.

(ii) Successor Rate or Alternative Rate

If the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate (as adjusted by the applicable Adjustment Spread, as provided in Condition 5.7(iii)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Reset Interest Rate(s)

(or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.7); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate (as adjusted by the applicable Adjustment Spread, as provided in Condition 5.7(iii)) shall subsequently be used in place of the Original Reference Rate to determine the relevant Reset Interest Rate(s) (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.7).

(iii) Adjustment Spread

If a Successor Rate or Alternative Rate is determined in accordance with Condition 5.7(ii), the Independent Adviser, acting in good faith and in a commercially reasonable manner, shall determine an Adjustment Spread (which may be expressed as a quantum or a formula or methodology for determining the applicable Adjustment Spread (and, for the avoidance of doubt, an Adjustment Spread may be positive, negative or zero)), which Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Reset Interest Rate (or a relevant component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iv) Benchmark Amendments

If any Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread is determined in accordance with this Condition 5.7 and the Independent Adviser, acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Fiscal Agency Agreement (including, without limitation, amendments to the definitions of Day Count Fraction, Business Day, Screen Page, Reset Interest Determination Date and/or Reference Banks) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5.7(v), without any requirement for the consent or approval of the Holders, vary these Conditions and/or the Fiscal Agency Agreement (as applicable) to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, the Fiscal Agent shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Holders, be obliged to concur with the Issuer in using its reasonable endeavours to effect any Benchmark Amendments (including, *inter alia*, by the execution of a supplemental Fiscal Agency Agreement) and the Fiscal Agent shall not be liable to any party for any consequences thereof, provided that the Fiscal Agent shall not be obliged so to concur if in the opinion of the Fiscal Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to the Fiscal Agent in these Conditions or the Fiscal Agency Agreement (including, for the avoidance of doubt, any supplemental Fiscal Agency Agreement) in any way.

(v) Notices, etc.

The Issuer will notify the Fiscal Agent, the other Paying and Transfer Agents, the Registrar, the Agent Bank and, in accordance with Condition 17 (*Notices*), the Holders promptly of any Successor Rate or Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 5.7. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

(A) confirming (I) that a Benchmark Event has occurred, (II) the Successor Rate or, as the case may be, the Alternative Rate, (III) the applicable Adjustment Spread and (IV) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.7; and

(B) certifying that the Independent Adviser has determined that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread.

(vi) The Fiscal Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 5.7 are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications and/or opinions or incur any liability in the event the content of such certifications is inaccurate or incorrect. Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under the provisions of this Condition 5.7, the Original Reference Rate and the fallback provisions provided for in Condition 5.3 will continue to apply unless and until a Benchmark Event has occurred in respect of the relevant Original Reference Rate.

(vii) Fallbacks

If, following the occurrence of a Benchmark Event and in relation to the determination of an applicable Reset Interest Rate on the relevant Reset Interest Determination Date, no Successor Rate or Alternative Rate (as applicable) or (in either case) applicable Adjustment Spread is determined and notified to the Agent Bank, in each case pursuant to this Condition 5.7, prior to such Reset Interest Determination Date, the Original Reference Rate will continue to apply for the purposes of determining such Reset Interest Rate on such Reset Interest Determination Date, with the effect that the fallback provisions provided for in Condition 5.3 will (if applicable) continue to apply to such determination.

For the avoidance of doubt, this Condition 5.7(vii) shall only apply to the determination of the Reset Interest Rate on the relevant Reset Interest Determination Date, and the Reset Interest Rate applicable to any subsequent Interest Period(s) is subject to the subsequent operation of, and to adjustment as provided in, this Condition 5.7.

(viii) Qualifying Additional Tier 1 Notes

Notwithstanding any other provision of this Condition 5.7 no Successor Rate or Alternative Rate (as applicable) will be adopted, no Adjustment Spread will be applied and no other amendments to these Conditions and/or the Fiscal Agency Agreement will be made, in each case pursuant to this Condition 5.7, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Qualifying Additional Tier 1 Notes.

5.8 *Notifications etc*: All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Agent Bank or the Reference Banks (or any of them) will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying and Transfer Agents, the Registrar and the Holders and (subject as aforesaid) no liability to any such person will attach to the Agent Bank or the Reference Banks (or any of them) in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

6. Interest Cancellation

6.1 *Optional Interest Cancellation*: The Issuer may elect at any time, in its sole and absolute discretion, to cancel (in whole or in part) any payment of interest otherwise scheduled to be paid on an Interest Payment Date.

6.2 Maximum Distributable Amount: The Issuer will cancel payment of any amount, and no payment (or deemed payments) will be made, on the Notes (whether by way of principal, interest, Discretionary Reinstatement or otherwise) if and to the extent that such payment would, when aggregated together with (i) other distributions of the kind referred to in Article 141(2) of the CRD Directive (or any CRD Implementation Measure transposing or implementing Article 141(2) of the CRD Directive, as amended or replaced) and (ii) any distributions of the kind referred to in any analogous restrictions arising from any requirement to meet any applicable buffers under Applicable Banking Regulations, cause any Maximum Distributable Amount (if any) then applicable to the Issuer or the Group to be exceeded.

6.3 *Insufficient Distributable Items*: Payments of interest in respect of the Notes in any financial year (and, if applicable, any additional amounts payable in respect thereof pursuant to Condition 11) shall only be made out of Distributable Items of the Issuer. The Issuer will cancel any interest otherwise scheduled to be paid on an Interest Payment Date if and to the extent that the amount of such interest (together with any additional amounts payable in respect thereof pursuant to Condition 11), when aggregated together with any interest payments or distributions which have been made or which are required to be paid or made during the then current financial year on all other own funds items of the Issuer (excluding any such interest payments or distributions which (i) are not required to be made out of Distributable Items or (ii) have already been provided for, by way of deduction, in the calculation of Distributable Items), exceeds the amount of Distributable Items of the Issuer as at such Interest Payment Date.

6.4 *Solvency Condition*: The Issuer will cancel any interest otherwise scheduled to be paid on an Interest Payment Date if and to the extent that payment of the same would result in a breach of the Solvency Condition.

6.5 *Notice of Interest Cancellation*: The Issuer shall give notice to the Holders in accordance with Condition 17 (*Notices*) of any such cancellation of a payment of interest, which notice might be given after the date on which the relevant payment of interest is scheduled to be made, provided that any failure to give any such notice shall not affect the cancellation of the relevant interest payment and shall not constitute a default of the Issuer for any purpose. Non-payment of any amount of interest (in whole or in part) scheduled to be paid on an Interest Payment Date will constitute evidence of cancellation of the relevant payment (or the relevant part thereof), whether or not notice of cancellation has been given by the Issuer.

6.6 *Interest non-cumulative; no default*: If the payment of interest scheduled on an Interest Payment Date is cancelled, in whole or in part, in accordance with the provisions of this Condition 6 (*Interest Cancellation*), the Issuer shall not have any obligation to make such interest payment (or the cancelled part thereof) on such Interest Payment Date or any time thereafter and the failure to pay such interest (or the cancelled part thereof) shall not:

(i) constitute a default of the Issuer under the Notes or for any purpose;

(ii) constitute any event related to the insolvency of the Issuer nor entitle Holders to take any action to cause the Issuer to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Issuer; or

(iii) in any way limit or restrict the Issuer from making any payment of interest or equivalent payments or other distributions in connection with any other instrument, including (without limitation) instruments ranking *pari passu* with or junior to the Notes.

Any such interest will not accumulate or be payable at any time thereafter, the Issuer will not be obliged to (and will not) make any other payment or settlement in any form in lieu thereof, and Holders shall have no right thereto whether in a winding-up of the Issuer or otherwise.

7. Loss Absorption Following a Trigger Event

7.1 *Loss Absorption Following a Trigger Event*: If at any time the CET1 Ratio of the Issuer and/or the Group falls below 5.125 per cent. as determined by the Issuer or the Swedish FSA (or any agent appointed by the Swedish FSA for the purpose of making such determination) (a "**Trigger Event**"), then the Issuer shall immediately notify the Swedish FSA and, without delay and by no later than one month (or such other period as the Swedish FSA may then require) from the occurrence of the relevant Trigger Event, shall:

(i) cancel all interest accrued to (but excluding) the Write Down Date (whether or not such interest has become due for payment and including any interest scheduled for payment on the Write Down Date); and

(ii) (without the need for the consent of the Holders) reduce the then Outstanding Principal Amount of each Note by the relevant Write Down Amount (such reduction, a "**Write Down**" and "**Written Down**" being construed accordingly).

For the avoidance of doubt, if the cancellation of interest pursuant to Condition 7.1(i) would result in an increase in the CET1 Ratio of the Issuer and/or the Group (as applicable), any such increase shall be disregarded for the purposes of calculating the Write Down Amount in respect of such Trigger Event.

In addition to the provisions of "Loss Absorption Following a Trigger Event" above, the Notes may be written down or converted to common equity tier 1 instruments pursuant to BRRD, or any law or regulation implementing or transposing the requirements thereof, by the Swedish National Debt Office or such other or successor authority designated in Sweden (or, if the Issuer becomes subject to resolution pursuant to the BRRD in a jurisdiction other than Sweden, in such other jurisdiction) in accordance with Article 3 of the BRRD. See "Risk Factors – The Notes may also be written down or converted to common equity tier 1 instruments under the Bank Recovery and Resolution Directive".

7.2 *Write Down Notice*: The Issuer shall, as soon as reasonably practicable following the determination that a Trigger Event has occurred, and in any event not more than 5 days following such determination, give notice (which notice shall be irrevocable) to the Holders (the "**Write Down Notice**") in accordance with Condition 17 (*Notices*) and to the Fiscal Agent stating:

(i) that the Trigger Event has occurred;

(ii) the date on which the Write Down will take effect (the "**Write Down Date**"); and

(iii) if then determined, the principal amount (expressed per Calculation Amount or as a percentage) by which each Note will be Written Down on the Write Down Date.

If the Write Down Amount has not been determined when the Write Down Notice is given, the Issuer shall, as soon as reasonably practicable following such determination, notify the Holders of the Write Down Amount in accordance with Condition 17 (*Notices*) and the Fiscal Agent.

Any failure or delay by the Issuer in giving any such notice to the Holders referred to under this Condition 7.2 (*Write Down Notice*) will not in any way impact on the effectiveness of, or otherwise invalidate, any Write Down, or give the Holders any rights as a result of such failure or delay, and shall not constitute a default by the Issuer under the Notes or for any purpose and nor shall the same constitute any event related to the insolvency of the Issuer nor entitle the Holders to take any action to

cause the Issuer to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Issuer.

7.3 *Loss Absorbing Instruments*: Write Down of the Notes will be effected, save as may otherwise be required by the Swedish FSA, *pro rata* with (a) the concurrent Write Down of the other Notes; and (b) the concurrent (or substantially concurrent) write-down or conversion into equity, as the case may be, of any Loss Absorbing Instruments (based on the prevailing principal amount of the relevant Loss Absorbing Instrument), provided that:

(i) with respect to each Loss Absorbing Instrument (if any), such *pro rata* write down or conversion shall only be taken into account to the extent required to restore the relevant CET1 Ratio(s) to the lower of (i) such Loss Absorbing Instrument's trigger level and (ii) 5.125 per cent. (being the level at which a Trigger Event occurs in respect of the Notes); and

(ii) if for any reason the Issuer is unable to effect the concurrent (or substantially concurrent) write-down or conversion of any given Loss Absorbing Instruments within the period required by the Swedish FSA, the Notes will be Written Down notwithstanding that the relevant Loss Absorbing Instruments are not also written down or converted.

For the avoidance of doubt, to the extent that the Issuer is unable to write down or convert any Loss Absorbing Instruments as aforesaid, the Write Down Amount determined in accordance with part (i) of the definition of "Write Down Amount" will be calculated on the basis that such Loss Absorbing Instruments are not available to be written down or converted, and accordingly the Write Down Amount determined in accordance with that part (i) will be higher than it would otherwise have been if such Loss Absorbing Instruments had been available to be written down or converted.

7.4 *Write Down Amount*: "**Write Down Amount**" means, in respect of any Write Down, the amount by which the then Outstanding Principal Amount of each Note (calculated per Calculation Amount) is to be Written Down, being (save as may otherwise be required by Applicable Banking Regulations) the lower of (i) and (ii) below:

(i) the amount per Note which is determined by the Issuer to be necessary (in conjunction with (a) the concurrent Write Down of the other Notes; and (b) the concurrent (or substantially concurrent) write-down or conversion into equity of, or other loss absorption measures taken in respect of, any other Loss Absorbing Instruments, in each case in the manner and to the extent provided in Condition 7.3 (*Loss Absorbing Instruments*)) to restore each of the Issuer's and/or the Group's (as applicable) CET1 Ratio to at least 5.125 per cent. (and so that the lowest of such CET1 Ratios is equal to (or as near as is practicable equal to but not less than) 5.125 per cent.); and

(ii) the amount necessary to reduce the Outstanding Principal Amount of each Note to nil.

The Outstanding Principal Amount of a Note shall not at any time be reduced below nil as a result of a Write Down.

7.5 *Full Loss Absorbing Instruments*: If, in connection with the Write Down or the calculation of the Write Down Amount, there are outstanding any Loss Absorbing Instruments the terms of which provide that they shall be written down or converted into equity in full and not in part only ("**Full Loss Absorbing Instruments**") then:

(i) the requirement that a Write Down of the Notes shall be effected *pro rata* with the write-down or conversion into equity, as the case may be, of any such Loss Absorbing Instruments shall not be construed as requiring the Notes to be Written Down in full simply by virtue of the fact that such Full Loss Absorbing Instruments will be written-down or converted in full; and

(ii) for the purposes of calculating the Write Down Amount, the Full Loss Absorbing Instruments will be treated (for the purposes only of determining the write-down of principal or conversion into equity, as the case may be, among the Notes and such other Loss Absorbing Instruments on a *pro rata* basis) as if their terms permitted partial write-down or conversion into equity, such that the write-down or conversion into equity of such Full Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (a) first, the principal amount of such Full Loss Absorbing Instruments shall be written-down or converted into equity *pro rata* with the Notes and all other Loss Absorbing Instruments (in each case subject to and as provided in Condition 7.3) to the extent necessary to restore each of the Issuer's and/or the Group's (as the case may be) CET1 Ratio to at least 5.125 per cent.; and (b) secondly, the balance (if any) of the principal amount of such Full Loss Absorbing Instruments remaining following (a) shall be written-off or converted into equity, as the case may be, with the effect of increasing the Issuer's and/or the Group's (as the case may be) CET1 Ratio above the minimum required level under (a) above.

7.6 *Interest accrual*: Following a reduction of the Outstanding Principal Amount of the Notes as described above, interest will accrue on the reduced Outstanding Principal Amount of each Note from (and including) the relevant Write Down Date, and (for the avoidance of doubt) such interest will be subject to Condition 6 (*Interest Cancellation*) and Condition 7.1 (*Loss Absorption following a Trigger Event*).

7.7 *Write Down may occur on one or more occasion; No default:* A Write Down may occur on one or more occasions and accordingly the Notes may be Written Down on one or more occasions (provided however, for the avoidance of doubt, that the principal amount of a Note shall not at any time be reduced to below nil). Any reduction of the Outstanding Principal Amount pursuant to Condition 7 (*Loss Absorption Following a Trigger Event*) shall not constitute a default by the Issuer under the Notes or for any purpose, nor constitute any event related to the insolvency of the Issuer nor entitle Holders to take any action to cause the Issuer to be declared bankrupt (*konkurs*) or for the liquidation (*likvidation*), winding-up or dissolution of the Issuer.

7.8 *Cancellation not automatic:* If the Outstanding Principal Amount of the Notes is Written Down to nil, the Notes will not be automatically cancelled.

7.9 *Currency*: For the purposes of any calculation in connection with a Write Down or Discretionary Reinstatement of the Notes which necessarily requires the determination of a figure in the Accounting Currency (or in an otherwise consistent manner across obligations denominated in different currencies), including (without limitation) any determination of a Write Down Amount and/or a Maximum Write-up Amount, any relevant obligations (including the Notes) which are not denominated in the Accounting Currency shall, (for the purposes of such calculation only) be deemed notionally to be converted into the Accounting Currency at the foreign exchange rates determined, in the sole discretion of the Issuer, to be applicable based on its regulatory reporting requirements under Applicable Banking Regulations.

8. Discretionary Reinstatement of the Notes

8.1 *Discretionary Reinstatement of the Notes*: If, at any time while any Note remains Written Down, each Relevant Entity records a positive Net Profit, the Issuer may, in its sole and absolute discretion, increase the Outstanding Principal Amount of the Notes (a "**Discretionary Reinstatement**") by such amount (calculated per Calculation Amount) as the Issuer may elect, provided that such Discretionary Reinstatement shall not:

(i) result in the Outstanding Principal Amount of the Notes being greater than their Original Principal Amount; or

(ii) result in the occurrence of a Trigger Event; or

(iii) cause any Maximum Distributable Amount then applicable to the Issuer and/or the Group to be exceeded; or

(iv) result in the Maximum Write-up Amount to be exceeded when taken together with the aggregate of:

(a) any previous Discretionary Reinstatement of the Notes out of the same Relevant Profits since the Reference Date (if any);

(b) the aggregate amount of any interest on the Notes that has been paid or calculated (but disregarding any such calculated interest which has been cancelled) since the Reference Date on the basis of an Outstanding Principal Amount that is lower than the Original Principal Amount;

(c) the aggregate amount of the increase in principal amount of the Written-Down Additional Tier 1 Instruments to be written-up out of the same Relevant Profits concurrently (or substantially concurrently) with the Discretionary Reinstatement and (if applicable) any previous increase in principal amount out of the same Relevant Profits of such Written-Down Additional Tier 1 Instruments since the Reference Date; and

(d) the aggregate amount of any interest on such Written-Down Additional Tier 1 Instruments that have been paid or calculated (but disregarding any such calculated interest which has been cancelled) since the Reference Date on the basis of a prevailing principal amount that is lower than the original principal amount at which such Written-Down Additional Tier 1 Instruments were issued.

8.2 *Notice of Discretionary Reinstatement*: In the event of a Discretionary Reinstatement in accordance with Condition 8.1 (*Discretionary Reinstatement of the Notes*), the Issuer will give notice to Holders in accordance with Condition 17 (*Notices*) and to the Fiscal Agent not more than ten Business Days following the day on which it resolves to effect such Discretionary Reinstatement, which notice shall specify the amount of such Discretionary Reinstatement (expressed per Calculation Amount or as a percentage) and the date on which such Discretionary Reinstatement will be effected.

8.3 *Write-up of Written-Down Additional Tier 1 Instruments*: Any Discretionary Reinstatement shall be applied concurrently (or substantially concurrently) and *pro rata* with other write-ups to be effected out of the Relevant Profits in respect of any Written-Down Additional Tier 1 Instruments.

The Issuer will not reinstate the principal amount of any Written-Down Additional Tier 1 Instrument that have terms permitting a write-up of such principal amount to occur out of the Relevant Profits on a similar basis to that set out in respect of the Notes unless it does so on a *pro rata* basis with a Discretionary Reinstatement of the Notes.

8.4 *Interest Accrual*: Following a Discretionary Reinstatement in respect of the Notes, interest will accrue on the increased Outstanding Principal Amount of each Note from (and including) the date on which the relevant Discretionary Reinstatement takes effect, and (for the avoidance of doubt) such interest will be subject to Condition 6 (*Interest Cancellation*) and Condition 7.1 (*Loss Absorption following a Trigger Event*).

8.5 *Discretionary Reinstatement may occur on one or more occasions*: A Discretionary Reinstatement may occur on one or more occasions until the Outstanding Principal Amount of the Notes has been reinstated to the Original Principal Amount. Any decision by the Issuer to effect or not to effect any Discretionary Reinstatement on any occasion shall not preclude it from effecting or not effecting any Discretionary Reinstatement on any other occasion.

For the avoidance of doubt, Discretionary Reinstatement shall apply to the Notes only if, and to the extent that, the Notes have been Written Down following the occurrence of a Trigger Event in accordance with the provisions of Condition 7 (Loss Absorption Following a Trigger Event) above. If at any time the Notes are written down or converted to equity by the exercise of any relevant resolution authority of

powers pursuant to BRRD or any implementing measure in respect thereof, the amount so written down or converted to equity shall not be reinstated by way of Discretionary Reinstatement in any circumstances, and references in these Conditions to a Discretionary Reinstatement up to (or not exceeding) the Original Principal Amount of the Notes shall be construed as if the Original Principal Amount had been reduced by an amount equal to the principal amount of the Notes so written down or converted to equity under BRRD or any implementing measure in respect thereof.

9. Redemption and Purchase

9.1 *No maturity*: The Notes are perpetual securities and have no fixed date for redemption. The Issuer may only redeem the Notes at its discretion in the circumstances described herein. The Notes are not redeemable at the option of the Holders at any time.

9.2 *Redemption at the option of the Issuer*: The Issuer may, at its option (but subject to Condition 9.7 (*Conditions to redemption etc.*)) and having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 17 (*Notices*) (which notice shall, subject as provided in Condition 9.8 (*Trigger Event etc. following notice of redemption, substitution or variation*) below, be irrevocable), redeem all (but not some only) of the Notes on the First Call Date or any Interest Payment Date thereafter, at their Redemption Amount.

9.3 *Redemption upon the occurrence of a Capital Event or a Tax Event*: Subject to Condition 9.7 (*Conditions to redemption etc.*), upon the occurrence of a Capital Event or a Tax Event, the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice to the Holders in accordance with Condition 17 (*Notices*) (which notice shall, subject as provided in Condition 9.8 (*Trigger Event etc. following notice of redemption, substitution or variation*) below, be irrevocable), redeem all (but not some only) of the Notes at any time, at their Redemption Amount.

The Issuer, having satisfied itself that a Capital Event or a Tax Event has occurred, shall notify the Holders in accordance with Condition 17 (*Notices*) of the occurrence of such Capital Event or Tax Event.

9.4 *Purchase*: The Issuer or any member of the Group may at any time permitted by applicable law and regulation (but subject to Condition 9.7 (*Conditions to redemption etc.*)) purchase Notes, whether in the open market, in the context of market making, or otherwise, at any price in accordance with applicable laws and regulations. Such Notes may, subject to applicable law and regulation, be held, reissued, resold or surrendered for cancellation.

9.5 *Cancellation*: All Notes which are redeemed, all Notes which are purchased and surrendered for cancellation and all Notes which are substituted pursuant to Condition 9.6 (*Substitution and variation*), will forthwith be cancelled and cannot be reissued or resold.

9.6 *Substitution and variation*: Subject to Condition 9.7 (*Conditions to redemption etc.*), if a Capital Event or a Tax Event has occurred and is continuing, the Issuer may at any time, at its option (without any requirement for the consent or approval of the Holders), having given not less than 30 nor more than 60 days' notice to the Holders (in accordance with Condition 17 (*Notices*)), the Fiscal Agent and the Registrar, substitute all (but not some only) of the Notes for, or vary the terms of the Notes provided that they remain or (as appropriate) so that they become, Qualifying Additional Tier 1 Notes.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the Holders can inspect or obtain copies of the new terms and conditions of the Qualifying Additional Tier 1 Notes. Such substitution or variation will be effected without any cost or charge to the Holders.

9.7 *Conditions to redemption etc.*: The Notes may only be redeemed, purchased, cancelled or substituted (as applicable) pursuant to Condition 9.2 (*Redemption at the option of the Issuer*), Condition 9.3 (*Redemption upon the occurrence of a Capital Event or a Tax Event*), Condition 9.4 (*Purchase*), Condition 9.5 (*Cancellation*) or Condition 9.6 (*Substitution and variation*), as the case may be, in compliance with the

Solvency Condition and if:

(i) the Issuer has notified the Swedish FSA of, and the Swedish FSA has consented to, such redemption, purchase, cancellation or substitution (as applicable) (unless such notification and/or consent is no longer required by the Swedish FSA or Applicable Banking Regulations at such time);

(ii) such redemption, purchase, cancellation or substitution (as applicable) is in accordance with all applicable laws and regulations, including the Applicable Banking Regulations (which, as at the Issue Date, are set out in Articles 77, 78 and 78a of the CRR and Article 29 of the 2014 RTS); and

(iii) in the case of a redemption of the Notes as a result of a Capital Event or a Tax Event the Issuer has delivered to the Fiscal Agent (to hold for inspection by any Holder during business hours and upon reasonable notice) (A) a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (B) in the case of a redemption of the Notes as result of a Tax Event only, an opinion of Swedish counsel of appropriate expertise to the effect that the relevant Tax Event has occurred, which certificate and opinion shall be conclusive and binding on the Holders. The Fiscal Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this Condition 9.7 are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications and/or opinions or incur any liability in the event the content of such certifications is inaccurate or incorrect.

Further, the Notes or any of these Conditions may only be varied, modified or waived pursuant to Condition 9.6 (*Substitution and variation*) or Condition 16 (*Meetings of Holders; Modification*) in compliance with Applicable Banking Regulations and if the Issuer has notified the Swedish FSA of such variation, modification or waiver or obtained the prior consent of the Swedish FSA (unless such notice or consent is not then required by the Swedish FSA or Applicable Banking Regulations).

Any refusal by the Swedish FSA to grant its consent to any such redemption, purchase, cancellation or substitution (as applicable) pursuant to Condition 9.7(i) (*Conditions to redemption etc.*) will not constitute an event of default under the Notes.

9.8 *Trigger Event etc. following notice of redemption, substitution or variation*: If at any time the Issuer has given notice that it intends to redeem, substitute or vary the terms of the Notes and, prior to the time of such redemption, substitution or variation, a Trigger Event occurs, or (in the case of a redemption) the Issuer determines that such redemption would result in a breach of the Solvency Condition, the relevant redemption, substitution or variation notice shall be automatically rescinded and shall be of no force and effect. Accordingly, the Notes will not be redeemed, substituted or varied on the proposed date therefor, and, in the case of a Trigger Event having occurred, a Write Down of the Notes will instead occur in accordance with Condition 7 (*Loss Absorption following a Trigger Event*). The Issuer will notify the Holders of such occurrence in accordance with Condition 17 (*Notices*) and the Fiscal Agent as soon as reasonably practicable.

9.9 *Notice of redemption following a Trigger Event*: If at any time the Issuer has given a Write Down Notice, the Issuer shall not subsequently give notice that it intends to redeem the Notes until after the Write Down Date specified in such Write Down Notice shall have passed.

10. Payments

10.1 *Method of payment*: Payments shall be made by credit or transfer to an account in euro maintained by the payee with, or, at the option of the payee, by a cheque in euro drawn on, a bank which accepts payments

in euro. Payments of principal and interest payable on redemption shall be made upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificate(s) at the Specified Office of any Paying and Transfer Agent or the Registrar.

10.2 *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to: (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to Condition 11 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto.

10.3 *Payments on payment days*: If the due date for payment of any amount in respect of any Note is not a Payment Day, the Holder shall not be entitled to payment of the amount due until the next succeeding Payment Day in the relevant place and shall not be entitled to any further interest or other payment in respect of any such delay. For these purposes, "**Payment Day**" means any day which is (i) a TARGET Business Day and (ii) (where presentation is required) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) the relevant place of presentation of the relevant Note Certificate.

Where payment is to be made by cheque, the cheque will be mailed not later than the Payment Day on which the relevant payment is otherwise due to be made in accordance with this Condition 10.3 (or, if presentation or surrender of a Note Certificate is required, not later than the Payment Day following presentation or surrender (as the case may be) of such Note Certificate at the Specified Office of a Paying and Transfer Agent).

Holders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Day, if the Holder is late in presenting or surrendering its Note Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

10.4 *Record Date*: Each payment in respect of a Note will be made to the person shown as the holder in the Register at the opening of business (in the place of the Registrar's Specified Office) on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the opening of business on the relevant Record Date.

11. Taxation

11.1 *Gross up*: All payments of principal and interest in respect of the Notes by the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Sweden or any political subdivision or any authority or agency thereof or therein having power to tax unless such withholding or deduction is required by law. In the event of any such withholding or deduction in respect of payments of interest (but not principal) (and subject to Condition 6 (*Interest Cancellation)*), the Issuer will pay such additional amounts as shall be necessary in order that the net amounts of interest received by the holders of the Notes after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note:

(i) held by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with Sweden other than the mere holding of such Note; or

(ii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Business Day).

11.2 As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Holders, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 17 (*Notices*).

12. Enforcement

12.1 There are no events of default in respect of the Notes. Holders shall not be entitled at any time to file for liquidation (*likvidation*) or bankruptcy (*konkurs*) or other winding-up or dissolution of the Issuer in Sweden or elsewhere.

12.2 If the Issuer is declared bankrupt (*konkurs*) or put into liquidation (*likvidation*) or otherwise subject to winding-up or dissolution (other than an Excluded Winding-Up), in each case by a court or agency or supervisory authority of competent jurisdiction in Sweden or elsewhere and whether initiated by the Issuer or any other person, the Holder of any Note may prove or claim in such bankruptcy, liquidation, winding-up or dissolution, such claim being for payment of the Outstanding Principal Amount of such Note together with any interest accrued and unpaid on such Note (to the extent the same is not cancelled in accordance with the terms of the Notes) from (and including) the Interest Payment Date immediately preceding commencement of such bankruptcy, liquidation, winding-up or dissolution to (but excluding) the date of commencement of the relevant bankruptcy, liquidation, winding-up or dissolution proceedings and any other amounts payable on such Note (including any damages payable in respect thereof), provided that such claim shall rank as provided in Condition 4.2 (*Subordination*).

12.3 Subject to Condition 12.1 and without prejudice to Condition 12.2, any Holder may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Notes, provided that the Issuer shall not by virtue of the institution of any proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

13. Prescription

The Notes will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

14. Agents

The names of the initial Fiscal Agent, Registrar, Agent Bank and Paying and Transfer Agents are set out in the Fiscal Agency Agreement.

The Issuer is entitled to appoint, vary or terminate the appointment of any Fiscal Agent, Registrar, Agent Bank or Paying and Transfer Agent and/or approve any change in the Specified Office through which any Fiscal Agent, Registrar, Agent Bank or Paying and Transfer Agent acts in accordance with the terms of the Fiscal Agency Agreement, provided that:

(i) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority there will at all times be a Paying and Transfer Agent with a Specified Office in such place as may be required by the rules and regulations of such stock exchange or other relevant authority;

(ii) there will at all times be a Registrar; and

(iii) there will at all times be a Fiscal Agent and Agent Bank.

In acting under the Fiscal Agency Agreement, the Fiscal Agent, the Registrar, the Agent Bank and the Paying and Transfer Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Holders.

15. Replacement of Note Certificates

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Registrar upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

16. Meetings of Holders; Modification

16.1 *Meetings of Holders*: Meetings may be convened by the Issuer and shall be convened by the Issuer if required in writing by Holders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in aggregate not less than 50 per cent. in nominal amount of the Notes for the time being outstanding and providing an undertaking that no transfers or dealing have taken place or will take place in the relevant Notes until the conclusion of the meeting, or at any adjourned meeting one or more persons being or representing Holders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes (including (i) an amendment to any date for payment of interest in respect of the Notes; (ii) a reduction or cancellation in the nominal amount or any other amount payable on redemption of the Notes; (iii) a reduction in the rate of interest in respect of the Notes or a variation in the method of calculating the rate or amount of interest or the basis for calculating any interest amount in respect any Note; (iv) a variation to any basis for calculating the Redemption Amount of any Note; (v) a variation to the currency of payments in respect of the Notes; (vi) modifying the provisions concerning the Write Down and/or Discretionary Reinstatement of the Notes or (vii) certain modifications to the quorum and voting provisions set out in the Fiscal Agency Agreement), the quorum shall be one or more persons holding or representing not less than two-thirds in aggregate nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in aggregate nominal amount of the Notes for the time being outstanding.

For the purposes of a meeting of Holders, the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) shall be treated as the holder of the Notes provided that he has given an undertaking not to transfer the Notes so specified (prior to the close of the meeting).

The Fiscal Agency Agreement provides that an Extraordinary Resolution may also be passed by way of a resolution in writing signed by or on behalf of the holders of not less than three-quarters of the aggregate nominal amount outstanding of the Notes (a "**Written Resolution**").

An Extraordinary Resolution, whether passed by way of a Written Resolution or at a duly convened meeting of the Holders, shall be binding on all the Holders, whether or not they signed the Written Resolution or, as the case may be, were present at the meeting and whether or not voting in favour.

The provisions for the convening and holding of such meetings of Holders are set out in the Fiscal Agency Agreement, a copy of which is available to Holders for inspection upon request to the Issuer.

16.2 *Modification of Notes*: The Fiscal Agent and the Issuer may, subject to Condition 9.7 (*Conditions to redemption etc.*) but without the consent of the Holders, agree to:

(i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) to the Notes and/or these Conditions which is, in the sole opinion of the Issuer, not prejudicial to the interests of the Holders; or

(ii) any modification to the Notes and/or these Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Subject as provided in these Conditions, no other modification may be made to the Notes or these Conditions except with the sanction of an Extraordinary Resolution.

Any such modification shall be binding on the Holders and any such modification shall be notified to the Holders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

17. Notices

For so long as the Notes are listed on the Official List of The Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**") and admitted to trading on the Global Exchange Market of Euronext Dublin, notices to Holders will be deemed to have been validly given if published on the website of Euronext Dublin (*www.ise.ie*) or in such other manner as Euronext Dublin or its rules and regulations may prescribe or accept.

If at any time the Notes are not listed on the Official List of Euronext Dublin and admitted to trading on the Global Exchange Market of Euronext Dublin, notices regarding the Notes will be valid if published through the electronic communication system of Bloomberg (or any successor or replacement service).

Any such notice shall be deemed to have been given on the date of such notice.

The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

18. Waiver and Remedies

No failure to exercise, and no delay in exercising, on the part of the Holder, any right in these Conditions shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or future exercise thereof or the exercise of any other right. Rights hereunder shall, subject as provided herein, be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of rights to take other action in the same, similar or other instances without such notice or demand.

19. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Holders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount, date of issue and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Notes.

20. Governing Law and Submission to Jurisdiction

20.1 The Fiscal Agency Agreement and the Notes and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, English law, except that (i) the provisions of Condition 4 (*Status of the Notes*), Condition 7 (*Loss Absorption Following a Trigger Event*), Condition 8 (*Discretionary Reinstatement of the Notes*) and any non-contractual obligations arising therefrom or in connection therewith and (ii) any other write-down or conversion to equity of the

Notes in accordance with Swedish law and regulation applicable to the Issuer from time to time, are in each case governed by, and shall be construed in accordance with, the laws of Sweden.

20.2 Without prejudice to Condition 20.4, the Issuer agrees, for the benefit of the Fiscal Agent, the Registrar, the Agent Bank and the Paying and Transfer Agents and the Holders that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Fiscal Agency Agreement and/or the Notes (including a dispute relating to any non-contractual obligations arising therefrom or in connection therewith) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Fiscal Agency Agreement and/or the Notes (including any Proceedings relating to any non-contractual obligations arising out of or in connection therewith) may be brought in such courts.

20.3 The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

20.4 Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

20.5 The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to it at Hoist Kredit Limited at Hoist Finance, Nuffield House, 1st Floor, 41-46 Piccadilly, London W1J 0DS, United Kingdom. In the event of Hoist Kredit Limited ceasing so to act or ceasing to be registered in England, it shall forthwith appoint a person in England to accept service of process on its behalf in England and notify the name and address of such person to the Holders in accordance with Condition 17 (*Notices*).

20.6 Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

21. Rights of Third Parties

No person shall have any right to enforce any term or Condition in respect of a Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

22. Acknowledgement of Statutory Loss Absorption Powers

Notwithstanding and to the exclusion of any other term of the Notes, or any other agreements, arrangements or understanding between any of the parties thereto or between the Issuer and any Holder (which, for the purposes of this Condition 22 (*Acknowledgement of Statutory Loss Absorption Powers*), includes each holder of a beneficial interest in the Notes), each Holder by its purchase of the Notes will be deemed to acknowledge, accept, and agree, that any liability arising under the Notes may be subject to the exercise of Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:

(i) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(ii) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral on the Holders of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(iii) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(iv) the amendment or alteration of the perpetual nature of the Notes or the amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Notes, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority.

SUMMARY OF THE NOTES IN GLOBAL FORM

The following is a summary of the provisions to be contained in the Fiscal Agency Agreement and in the Global Certificate which will apply to, and in some cases modify the effect of, the Conditions while the Notes are represented by the Global Certificate:

Global Certificate

The Notes will, upon issue, be represented by a global certificate (the "**Global Certificate**") which will be deposited with, and registered in the name of a nominee of a common depositary (the "**Registered Holder**") for Euroclear and Clearstream, Luxembourg.

For so long as any of the Notes is represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular principal amount of Notes (each an "**Accountholder**") (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of that principal amount for all purposes (including but not limited to for the purposes of any quorum requirements of, or the right to demand a poll or, meetings of the registered holders and giving notices to the Issuer) other than with respect to the payment of principal, interest and any other amounts on or in respect of the Notes, the right to which shall be vested, as against the Issuer, solely in the Registered Holder.

Exchange of the Global Certificate

The Global Certificate will be exchanged in whole but not in part (free of charge to the holder) for duly authenticated and completed Note Certificates if Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announce an intention permanently to cease business or do in fact do so.

Whenever the Global Certificate is to be exchanged for Note Certificates, such Note Certificates shall be issued in an aggregate principal amount equal to the Original Principal Amount of the Global Certificate (and the Outstanding Principal Amount at the time of such issue shall be notified thereon) within 20 business days of the delivery, by or on behalf of the holder of the Global Certificate, Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the specified office of the Registrar. Such exchange shall be effected in accordance with the provisions of the Fiscal Agency Agreement and the regulations concerning transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange. In this paragraph, "**business day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city in which the Registrar has its specified office.

Transfers

Transfers of book-entry interests in the Notes will be effected through the records of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants in accordance with their respective rules and procedures.

Payments

Payments in respect of Notes represented by the Global Certificate will be made to or to the order of the Registered Holder. The Registered Holder shall be the only person entitled to receive payments in respect of the Notes whilst represented by the Global Certificate and the Issuer's obligations in respect of any payment on or in respect of the Notes will be discharged by payment to, or to the order of, the Registered Holder in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular principal amount of Notes represented by the Global Certificate must look solely

to Euroclear or Clearstream, Luxembourg, as the case may be, for its share of each payment so made by the Issuer to, or to the order of, the Registered Holder.

Record Date

With respect to payments of Notes represented by the Global Certificate held on behalf of Euroclear and Clearstream, Luxembourg, the Record Date shall be determined in accordance with Condition 10.4 save that reference therein to "fifteenth day" shall be construed as reference to "ICSD Business Day". "**ICSD Business Day**" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

Calculation of interest

Notwithstanding Condition 5.4, for so long as all of the Notes are represented by the Global Certificate, the amount of interest payable (subject to cancellation as provided in the Conditions) on each Interest Payment Date will be calculated by reference to the aggregate Outstanding Principal Amount of Notes represented by the Global Certificate and not per Calculation Amount.

Write Down and Discretionary Reinstatement

For so long as all of the Notes are represented by the Global Certificate and this Global Certificate is registered in the name of the Registered Holder as nominee of a common depositary for Euroclear and/or Clearstream, Luxembourg, any Write Down of the Notes will be effected in Euroclear and Clearstream, Luxembourg in accordance with their operating procedures by way of a reduction in the pool factor and any Discretionary Reinstatement in respect of the Notes will be effected in Euroclear and Clearstream, Luxembourg in accordance with their operating procedures by way of an increase in the pool factor.

The amount of such Write Down or Discretionary Reinstatement will also be endorsed by or on behalf of the Registrar on the Register.

Notwithstanding Conditions 7.4 and 8.1, for so long as all of the Notes are represented by the Global Certificate the amount of any Write Down or Discretionary Reinstatement will be calculated by reference to the aggregate Outstanding Principal Amount of Notes represented by the Global Certificate and not per Calculation Amount.

Notices

For so long as all of the Notes are represented by the Global Certificate and this Global Certificate is registered in the name of the Registered Holder as nominee of a common depositary for Euroclear and/or Clearstream, Luxembourg, notices to Holders may be given, in substitution for delivery as required by Condition 17, by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by such clearing systems to the accountholders. Such notice shall be deemed to have been given on the date of delivery of the notice to Euroclear and/or Clearstream, Luxembourg (as applicable) for such communication.

For so long as the Notes are listed and/or admitted to trading on any stock exchange and the rules of such stock exchange so require, such notice shall also be given in a manner which is required or permitted (as the case may be) under the rules of such stock exchange or other relevant authority (which, in the case of Euronext Dublin, shall be by publication on the website of Euronext Dublin).

Prescription

Claims for principal and/or interest in respect of the Global Certificate will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 11.2) therefor.

Voting and Electronic Consents

While the Global Certificate is registered in the name of any nominee of a common depositary for one or more clearing system(s), then:

(i) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the Holders of not less than 75 per cent. in

aggregate nominal amount of the Notes outstanding shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting), take effect as an Extraordinary Resolution passed at a meeting of Holders duly convened and held, and shall be binding on all Holders whether or not they participated in such electronic consent; and

(ii) where electronic consent is not being sought, to determine whether a Written Resolution has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to the Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is beneficially held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Holders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

Clearing Systems

References herein to Euroclear and/or Clearstream, Luxembourg shall, where the context admits, be deemed to include references to any other clearing system in which the Notes are, for the time being, cleared.

USE OF PROCEEDS

The issue of the Notes will form part of the Issuer's regulatory capital and the net proceeds of the issue of the Notes will be applied by the Issuer for its general corporate purposes.

DESCRIPTION OF THE ISSUER AND THE GROUP

Introduction

The Issuer's legal and commercial name is Hoist Finance AB (publ), and its Swedish Corporate ID No. is 556012-8489. The registered office of the Issuer is located at P.O. Box 7848, SE-103 99 Stockholm, Sweden. The Issuer's telephone number in Sweden is + 46 (0) 85551 7790. The Issuer was registered in Sweden on 1 November 2015. The Issuer is a public limited liability company (*Sw. publikt aktiebolag*) regulated by the Swedish Companies Act (*Sw. aktiebolagslagen (2005:551)*). The Issuer is a "Credit Market Company" (*Sw. kreditmarknadsföretag*) supervised by the SFSA.

Under its current Articles of Association, the Issuer's share capital shall be not less than SEK 15,000,000 and not more than SEK 60,000,000, divided into not fewer than 60,000,000 shares and not more than 240,000,000 shares. The Issuer has only one class of shares. The Issuer's registered share capital is SEK 29,767,666,66, represented by 89,303,000 shares. Each share has a quota value of SEK 1/3.

Ownership

The Issuer is the parent company of the Hoist Finance group of companies (the "**Group**" or "**Hoist Finance**"). The shares of the Issuer are listed on Nasdaq Stockholm.

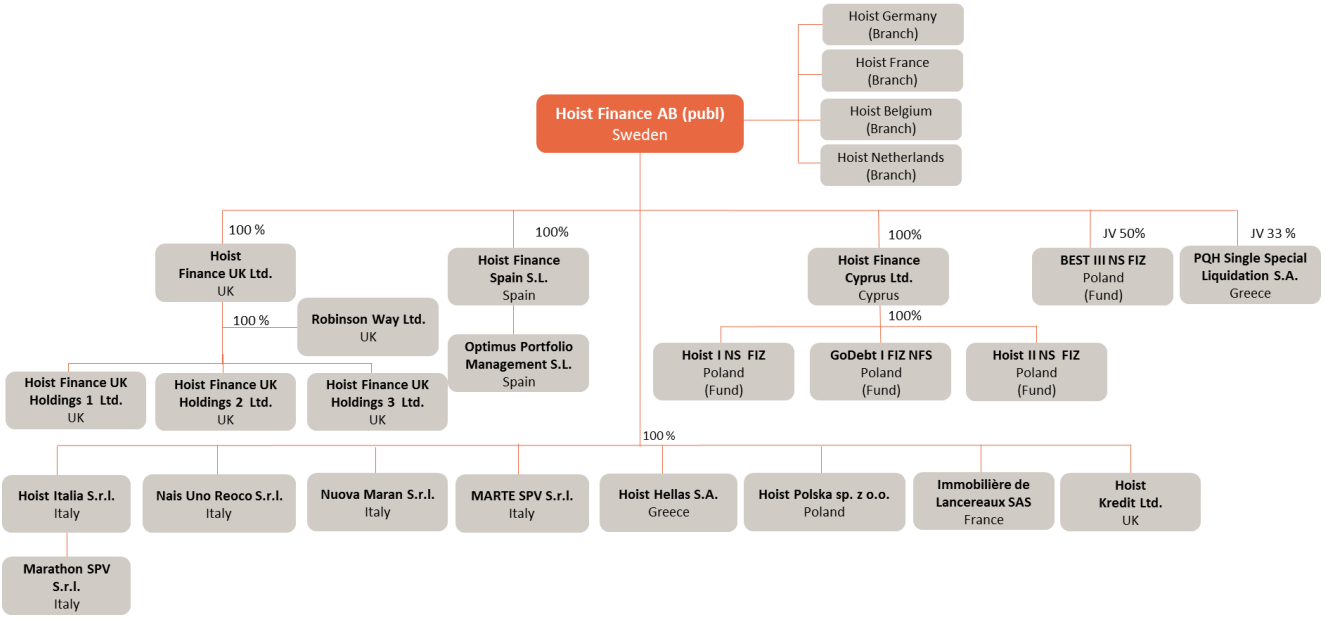
The Issuer has, at the date of this Offering Circular, no knowledge of any arrangements the operation of which may at a subsequent date result in a change of control of the Issuer.

The table below sets out the ten largest shareholders of the Issuer as of 31 December 2019 (source: Modular Finance AB with ownership statistics from Monitor, Euroclear Sweden AB and changes noted by and/or confirmed to Hoist Finance).

Name	Share of capital and votes (%)
Erik Selin (via company)	12.8
Swedbank Robur Funds	9.0
Avanza Pension	7.4
Carve Capital AB	5.0
Dimensional Fund Advisors	3.3
Per Arwidsson and related parties	2.9
Jörgen Olsson (privately and through Deciso Holding AB)	2.9
Svenskt Näringsliv	2.8
BlackRock	2.7
Catella Funds	2.4

Group structure

A large part of the Issuer's business is conducted through its subsidiaries and branches, on which the Issuer, as a consequence thereof, is dependent. The Group structure as at the date of this Offering Circular is illustrated in the organisational chart below.



Note: The above chart outlines the most important operational entities

Below is a list of the direct and indirect subsidiaries of the Issuer as of the date of this Offering Circular.

Legal Entity	Crop. Reg. no.	Domicile	Shareholding (fully diluted) (%)
Hoist Finance Services AB [1]	556640-9941	Stockholm	100
Immobilière de Lancereaux SAS	2018B20590	Paris	100
HECTOR Sicherheiten-Verwaltungs GmbH	HRB 74561	Duisburg	100
Hoist Polska sp. z o.o.	0000536257	Wroclaw	100
Hoist Cyprus Ltd.	HE 338 570	Nicosia	100
MARTE SPV S.r.l.	4634710265	Conegliano	100
Marathon SPV S.r.l.	05048650260	Conegliano	100
Hoist Italia S.r.l.	12898671008	Rome	100
Nais Uno Reoco S.r.l.	14564671007	Rome	100
Nuova Maran S. r. l.	14846811009	Rome	100
Maran CSRO SRL	35910220	Bucharest	20
Hoist I NS FIZ[2]	RFI702	Warszawa	100
GoDebt1 FIZ NFS[2]	0000292229	Warszawa	100
Hoist II NS FIZ[2]	RFi 1617	Warszawa	100
BEST III NS FIZ[2]	RFI623	Gdynia	50
Hoist Kredit Ltd.	7646691	London	100
Hoist Finance UK Ltd.	8303007	London	100
Robinson Way Ltd.	6976081	Manchester	100
the lewis group Ltd.[1]	SC127043	Glasgow	100
CL Finance Ltd.[1]	1108021	West Yorkshire	100
Compello Holdings Ltd.[1]	08045571	Milton Keynes	100
Compello Operations Ltd.[1]	08045559	Milton Keynes	100
MKE (UK) Ltd.[1]	07042157	Milton Keynes	100

MKDP LLP[(1)]	OC349372	Milton Keynes	100
Hoist Finance UK Holdings 1 Ltd.	11473838	Manchester	100
Hoist Finance UK Holdings 2 Ltd.	11473850	Manchester	100
Hoist Finance UK Holdings 3 Ltd.	11473909	Manchester	100
Hoist Hellas S.A.	137777901000	Athens	100
PQH Single Special Liquidation S.A.[(3)]	138353201000	Athens	33
Hoist Finance Spain S.L.	B87547659	Madrid	100
Optimus Portfolio Management S.L.	B86959285	Madrid	100
Hoist Finance Romania S.r.l.	41830400	Bucharest	100

(1) Non-operating companies to be liquidated or disposed.
(2) Non-standardised securitisation funds of which Hoist Finance holds investment certificates.
(3) The company is a part of a consortium, consisting of Hoist Finance AB (publ), Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A.

Business overview

Hoist Finance specialises in purchasing unsecured NPLs, originated by international banks and other financial institutions. Hoist Finance has operations in eleven countries across Europe including its registered office and headquarters in Stockholm, Sweden. Hoist Finance has in the past also selectively purchased overdue debt from utilities, telecommunications companies and other consumer companies and is, in certain markets, purchasing performing and secured loans. After purchasing a portfolio, Hoist Finance collects payments from the customers primarily by agreeing to sustainable payment plans. The collections in relation to the Group's purchased portfolios are largely managed through the Group's 13 in-house collection platforms across Europe, which are complemented, where appropriate, by carefully selected local external debt servicing partners.

In addition to debt purchasing, Hoist Finance also to a limited extent provides debt servicing to collect overdue debt on behalf of third parties in selected European markets. Hoist Finance engineers and implements tailored debt collection strategies and solutions to maximise cash flow streams from overdue debt for clients who have decided to outsource their debt collection function.

As a Swedish Credit Market Company, the Issuer is able to offer corporate and retail deposits to the general public that are fully covered by the Swedish state-provided deposit guarantee scheme, which currently guarantees an amount of SEK 950,000 for each depositor. The Issuer has operated a traditional internet-based retail deposit product in Sweden since 2009 under the HoistSpar brand. In 2017, Hoist Finance also launched savings accounts in Germany, in partnership with one of the largest deposit savings platforms in Europe. This provides the Group with a cost-efficient, flexible and reliable source of funding that is largely used to fund portfolio purchases.

History

Hoist Finance's history dates back to 1908, when Swedish entrepreneur Hans Osterman founded a car import company in Stockholm, Sweden. In 1915 this company was transformed into a finance company. Since 1994, Hoist Finance's business has been concentrated on purchasing NPL portfolios. Below is a summary of the key events in the Group's history:

1994	Hoist Finance recognised that the stock of NPLs in Sweden was growing due to the financial crisis in Sweden in the early 1990s and anticipated the increased need for financial institutions to manage their balance sheets and focus on their core businesses. Hoist Finance was an early adopter in this changing landscape as Hoist Finance converted into a credit management company, refocused its business to concentrate on purchasing NPL portfolios in Sweden and divested all other activities.
1994-1997	Hoist Finance completed several large portfolio purchases in Sweden.
1996	The Issuer was authorised by the SFSA under the new rules for credit companies.
1997	Hoist Finance established its presence in Germany through a number of debt purchases managed out of its Swedish operations.

1998	The Issuer was listed on the O-list of the Stockholm Stock Exchange.
1999	Hoist Finance acquired Citibank's collection platform in Bremen, Germany, including 90 full time employees and a portfolio with more than 150,000 claims.
2001	Hoist Finance entered the French market. Similar to Hoist Finance's market entrance in Germany, this was done through a number of debt purchases.
2003	Hoist Finance divested its operations in Sweden to focus on markets believed to have the greatest growth opportunities.
2004	The Issuer was de-listed from the O-list of the Stockholm Stock Exchange.
2006-2007	Hoist Finance expanded its operations into Belgium and the Netherlands through the purchase of its first portfolios in these countries. Hoist Finance expanded further in Germany through the acquisition of Union Inkasso GmbH, the German debt collection subsidiary of SEB, including one collection platform, 80 full time employees and a mixed portfolio of secured and unsecured claims.
2009	Hoist Finance's Swedish retail deposit offering, HoistSpar, was launched and covered by the Swedish state-provided deposit guarantee scheme.
2011	Hoist Finance completed a major NPL purchase in Poland through a 50/50 joint venture with its primary debt collection servicing partner in the country, Best S.A. Hoist Finance also completed its first portfolio purchases in Italy and the United Kingdom.
2012	Hoist Finance acquired the Manchester-based debt collection company, Robinson Way, including 256 full time employees, two collection platforms, a large data warehouse and a significant portfolio of debt claims.
2013	Hoist Finance continued its expansion in the United Kingdom by acquiring the Lewis Group. At the time of the acquisition, the Lewis Group operated from three collection platforms with 330 full time employees across the United Kingdom (including certain consultants), had developed a large data warehouse and purchased a substantial NPL portfolio. Following Hoist Finance's acquisitions in the United Kingdom, Hoist Finance implemented substantial strategic measures, including complex integration plans and operational focus, in order to reach the structure and size operated today. Hoist Finance completed a major portfolio purchase in the Netherlands and established a collection platform in Amsterdam. Hoist Finance made another significant portfolio purchase in Poland. Hoist Finance re-affirmed its position in the Austrian market with a number of portfolio purchases. The Issuer issued a senior unsecured bond and a subordinated unsecured bond, both in SEK, which were listed on Nasdaq Stockholm.
2014	Toscafund, an asset manager based in London and specialising in global financials, invested in Hoist Finance's operations through a private placement. Hoist Finance engaged in further strategic expansion in Italy through the acquisition of TRC's operations, one of Hoist Finance's long-term debt servicing partners, and in Poland, through the acquisition of Navi Lex (name changed to Hoist Polska), one of Hoist Finance's debt servicing partners. The Issuer issued a senior unsecured bond in Euro, which was listed on Nasdaq Stockholm.
2015	The shares of the Issuer were listed on Nasdaq Stockholm. Acquisition of Compello in the United Kingdom. The acquisition includes a diversified banking portfolio and an established and proven collection platform with 178 full time employees. Acquisition of a NPL portfolio of assets relating to small and medium-size enterprises from Banco Popolare in Italy. The portfolio consists of approximately 9,000 claims with a nominal value of EUR 950,000,000.

2016	Hoist Finance entered into a strategic partnership as part of a consortium, consisting of the Issuer, Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A., selected via a tender process initiated by the Bank of Greece, to manage an aggregated NPL portfolio of 16 Greek banks and financial institutions under liquidation and to drive the reorganisation and optimisation of the underlying entities. Total assets of the NPL portfolio amount to approximately EUR 9 billion and cover all major asset classes. The Issuer's EMTN programme was established (the Programme size was increased from EUR 750 million to EUR 1 billion in 2017). The Issuer received a Ba1 rating from Moody's. Hoist Finance continued its geographic expansion by acquiring their first portfolio in the Spanish market in June and also strengthened their position in Spain by acquiring the Madrid based master servicing company Optimus. The Issuer issued EUR 30,000,000 Additional Tier 1 ("**AT1**") capital.
2017	The Issuer's rating from Moody's was raised to Baa3. Introduction of a deposit offer in Germany.
2018	Merger of Hoist Finance and Hoist Kredit was finalised.
	The Issuer issued EUR 40,000,000 AT1 capital.
	The Issuer launched a SEK 2,500 million Swedish Commercial Paper Programme.
	Hoist Finance strengthened its equity with a SEK 568 million directed new share issue.
	Hoist Finance signed an agreement to acquire Italian credit management company Maran S.p.A. Hoist Finance acquired a EUR 2 billion Greek portfolio of non-performing loans.
2019	Hoist Finance completed an acquisition of a PLN 400 million portfolio from Polish debt management and collection company GetBack S.A.. Hoist Finance completed a securitisation of a portfolio of Italian unsecured non-performing loans with a gross book value of EUR 225 million. Hoist Finance completed a rated securitisation of a portfolio of Italian unsecured non-performing loans with a gross book value of EUR 5.0 billion, and at the same time, the EUR 225 million securitisation was unwound and issued notes redeemed early in full. Hoist Finance acquired a EUR 375 million French non-performing mortgage portfolio. Hoist Finance entered into an agreement with the global technology consulting and digital solutions company, Larsen & Toubro Infotech Limited, on outsourcing of services relating to information technology, selected application development and maintenance.

Business areas/segments

Debt purchasing

Debt purchasing transaction types

Hoist Finance primarily purchases portfolios under spot agreements (i.e., one-off transactions), pursuant to which portfolios of claims are purchased in one transaction upon payment. Hoist Finance also purchases portfolios under forward flow agreements, pursuant to which claims are bought at a pre-defined price or price range for a given volume from a debt originator on an on-going basis. The majority of debt portfolios for sale are currently offered to the market through competitive auction processes. Many debt originators typically have a panel of trusted debt purchasers to whom they offer the opportunity of participating in an auction.

Hoist Finance purchases several categories of loans: "garage" claims are loans that are five years or more in default and in most cases are fully written off; tertiary claims are loans that are between two and five years in default; secondary claims are loans that are between nine months and two years in default; primary claims are loans that are between three and nine months in default; fresh claims are loans that are between 1 day and 3 months in default and; payers are loans of any age that have a recent history of continuous payments. Hoist

Finance also selectively purchases performing and secured consumer loans in certain jurisdictions as well as claims from small and medium-sized enterprises ("**SMEs**"). Performing, secured and higher quality loans (e.g., fresher claims and payers) are generally sold at a lower discount than old NPLs as they entail increased predictability and lower cost to collect. Hoist Finance selectively purchases and collects on such loans in certain jurisdictions where it is found profitable. The table below sets forth each claim type as a percentage of total carrying value as of 31 December 2018, 2017 and 2016 respectively.

Carrying value by age of debt

	As of 31 December[2]		
	2018	**2017**	**2016**
		(%)	
Tertiary	53	56	54
Secondary	17	17	23
Primary[1]	18	16	13
Payers	12	11	10
Total	**100**	**100**	**100**

(1) Including fresh claims.
(2) The claims are allocated on a portfolio basis. When a portfolio is purchased, all claims in that portfolio are allocated to the category in which the majority of claims belong. The table excludes the Group's performing loans.

Hoist Finance's purchased portfolios consist mainly of loans originated by international banks and other financial institutions, and, to a lesser extent, from utilities providers, telecommunications companies and other consumer companies. Hoist Finance continually works to increase the diversification of its debt originator client base by entering into new relationships while maintaining existing ones. Several of these banks are among Hoist Finance's key partners, and Hoist Finance has relationships with individual debt originators that have lasted for multiple years and from which Hoist Finance has bought large numbers of portfolios. While Hoist Finance focuses on developing and maintaining strong relationships with large international banks, Hoist Finance has maintained a well-diversified network of debt originators.

Most of Hoist Finance's portfolios are purchased through traditional spot transactions. Historically, Hoist Finance has also purchased a number of NPL portfolios through "buy-and-leave" transactions, in which the selling debt originator continues to service the purchased claims on Hoist Finance's behalf. Hoist Finance has also purchased debt portfolios in connection with structural outsourcing transactions with financial institutions, meaning that Hoist Finance acquires entire collection platforms from these institutions, including employees and the portfolios serviced and managed from the collection platform.

Funding of debt purchases

Hoist Finance funds its portfolio purchases through a funding model consisting of deposits from the public, and by issuing bonds and money market instruments, but which may in the future also include other means of financing, such as syndicated credit facilities and other structured finance products including securitisation transactions. The deposit funding base provides a cost efficient, flexible and reliable source of funding.

On 5 December 2019, Hoist Finance completed a EUR 337 million securitisation of a portfolio of Italian unsecured NPLs with a gross book value of EUR 5.0 billion for the purpose of regulatory capital relief. Hoist Finance may continue to pursue securitisation for the purposes of capital relief and funding.

Data Warehouse and analytical steering

The fundamental component in the valuation methodology applied when reviewing, analysing and pricing portfolios is Hoist Finance's internal Data Warehouse, which contains granular historical data on portfolios and customers across Hoist Finance's markets derived from Hoist Finance's debt purchasing activities since 1997. The Data Warehouse provides the foundation upon which Hoist Finance's operations are built. The analytical steering model employed to maximise the utilisation of data in the Data Warehouse is standardised across Hoist Finance's operations and integrated in all areas of the business: when forecasting and pricing portfolios considered for

purchase, when implementing purchased claims into Hoist Finance's operations, when allocating resources within Hoist Finance's collection operations, and when reporting, monitoring and benchmarking the performance of Hoist Finance's purchased portfolios.

The debt purchasing process

Hoist Finance has developed, and consistently employs, a set of processes and tools when engaging in, reviewing, analysing, pricing and purchasing debt portfolios. A typical portfolio purchase involves an initial review and indicative bid process, a pricing and investment process, a purchase execution process and an integration and monitoring phase. These processes include aspects such as due diligence and valuation and follow a structured, company-specific template, which ensures consistency across Hoist Finance's operations.

Hoist Finance has developed a number of proprietary tools and processes to price portfolios and to develop accurate collection and cost curves. Hoist Finance's fundamental pricing principle is to use the historical activity driven collection performance data contained in the Data Warehouse and overlay the costs associated therewith, (such as portfolio transfer and start-up costs and the costs for various collection strategies) to predict net recoveries on potential acquisitions. In addition, expected future changes to Hoist Finance's operational strategy are taken into account if it is believed that there will be any material changes from historic practice. Hoist Finance's extensive valuation process is carried out by Hoist Finance's investment and pricing teams, including representatives from collection operations.

To optimise pricing accuracy of purchased portfolios, the Group-wide pricing methodology is supplemented with bespoke regional-specific processes. For example, in the United Kingdom Hoist Finance has developed a web-based tool for portfolio valuation together with an external debt originator, which encompasses the principles set out above but is designed primarily with the United Kingdom market in mind. In addition, the pricing is adjusted to local circumstances, such as legal requirements, that may affect the typical collection cost profile of a portfolio. In certain newer markets, such as Greece, where Hoist Finance does not have its own collection platform and the servicing of Hoist Finance's portfolios is outsourced to an external partner, the valuation of portfolios is performed in close cooperation with Hoist Finance's partners.

All portfolio acquisition decisions must be made by Hoist Finance's Management Investment Committee and in certain cases also the Board Investment Committee. Standard portfolio acquisitions for which no SFSA approval is required and with a value up to EUR 75 million or certain complex and/or non-standardised transactions with a value up to EUR 25 million require approval by the Management Investment Committee. Standard offers exceeding EUR 75 million, certain complex and/or non-standardised transactions exceeding EUR 25 million, or which require an SFSA approval require the approval from the Board Investment Committee or the Board of Directors. When a credit institution makes a purchase where the consideration exceeds 25 per cent. of its own funds, such transaction also requires the approval of the SFSA, while a purchase where the consideration exceeds 10 per cent. of the own funds has to be notified to the SFSA.

Collections on purchased portfolios

The process of collecting on purchased portfolios is to a large extent managed through Hoist Finance's 13 in-house collection platforms across Europe and complemented, where appropriate, by local external debt servicing partners. Collection methods and practices vary significantly across markets. Hoist Finance has however established internal "Centre of Excellences" with the purpose of sharing best practices across markets.

Hoist Finance's collection strategies aim to identify and match a customer's ability to pay based on individual circumstances and attitudes. Hoist Finance collects primarily by agreeing to sustainable payment plans over the lifetime of the claim with the customer. Hoist Finance may also collect through one-off payments on the claim. Such immediate payments have a greater present value than the same amount paid later on in time through an instalment and Hoist Finance can therefore offer a discount on the claim in circumstances where it is believed that this is appropriate. The amicable settlements model is solution-oriented and takes into account each customer's individual circumstances with the aim being to establish a sustainable and affordable payment plan in close dialogue with the customer, rather than exploiting short-term collection potential. Hoist Finance's ambition is to find a solution suitable and beneficial for both sides and settlements are often based on small amounts over a long period.

Hoist Finance is dependent upon maintaining trusted relationships with debt originators, authorities and society at large. Hoist Finance's internal standards are applicable to all employees and all employees are expected to become acquainted with and comply with these standards, including the third-party collection providers that Hoist Finance engages. These standards mandate that all employees and partners are expected to always work within the law, have sound moral principles and behave in an upright and sincere manner. Hoist Finance has implemented a centrally coordinated compliance-monitoring program, which evaluates and assesses compliance with legal, regulatory and industry best practices, as well as Hoist Finance's own internal standards to protect Hoist Finance's information technology and data.

Savings product

The Issuer is regulated and supervised by the SFSA as a Credit Market Company. As such, the Issuer has the ability to accept corporate and retail deposits from the general public that are covered by the Swedish state-provided deposit guarantee scheme. This scheme guarantees an amount of SEK 950,000 for each depositor should a guarantee-covered provider of deposits enter into bankruptcy or should the SFSA otherwise decide that the guarantee should become effective. The Issuer uses deposits to fund a significant portion of the Group's debt portfolios. The Issuer's deposit-taking scheme allows the Issuer to secure funding at comparatively low costs and gives the Issuer access to a substantial source of liquidity. This solid liquidity position has been essential in enabling Hoist Finance's high levels of portfolio purchases in recent years.

The Issuer's online deposit platform in Sweden, HoistSpar, is offered to private individuals and companies. HoistSpar was established in 2009 (term deposits launched in late 2012). The Issuer's depositor base in Sweden consisted as of 31 December 2018 of 54,025 active accounts with a total deposit balance of SEK 11.3 billion. Term deposits can be withdrawn immediately upon payment of a withdrawal fee.

The Issuer also offers savings accounts in Germany, through one of the largest deposit savings platforms in Europe. The Issuer's depositor base in Germany consisted as of 31 December 2018 of 17,774 active accounts with a total deposit base of EUR 565 million, corresponding to a book value of SEK 5.8 billion.

Historically, the availability of funding under the Issuer's deposits has been very stable with limited outflow and inflow, primarily driven by the interest rates the Issuer offers, which may be adjusted in accordance with the Issuer's liquidity needs. The main objective of the deposit schemes is to facilitate a low-volatility (with regards to nominal amounts) and cost-effective funding source, while being a well-perceived provider of savings products.

Certain financial information

Alternative performance measures ("**APMs**") are financial measures of past or future earnings trends, financial position or cash flow that are not defined in the applicable accounting regulatory framework, such as in IFRS, or in applicable prudential measures, such as in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and Directive 2013/36 EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms. APMs are used by the Group, along with other financial measures, when relevant for monitoring and describing its financial situation such as in relation to the required asset valuation assessments, and for providing additional useful information to users of its financial reports. These measures may be similar to but are not directly comparable with similar performance measures that are presented by other companies. Estimated remaining collections ("**ERC**"), return on equity and adjusted EBITDA (as defined below) are three APMs that are used by the Group.

ERC

ERC is the sum of future projected gross cash collections on purchased portfolios for a set length of time (from 1 January 2018 the Group has measured ERC over a period of up to 180 months for each portfolio held and before 1 January 2018, the Group measured ERC over a period of 120 months). The assessment is based on estimates for each loan portfolio and ranges in duration from the following month to 120/180 months ahead. The estimates for each loan portfolio are in turn based on the Group's experience of actively working and collecting on the loan portfolios during their economic life. Such estimates are made at least monthly for each loan portfolio and on a consistent basis relative to the previous assessment made regarding that portfolio, thereby providing directly relevant input by way of a continuous review of the reported values of all assets held.

ERC excludes estimated collections beyond the referenced period for the relevant portfolio. These projections are based on historical and current portfolio collection performance data and trends and assumptions about future debt collection rates, all of which are assessed at least monthly and on a consistent basis relative to previous assessments made in respect of the same portfolio. As a result, the Group can continuously monitor and review its loan portfolios in relation to their reported values in its balance sheet and for the purposes of the Group's reported revenue recognition, by comparing such values and revenue recognition with each portfolio's ERC development over time.

The estimation of ERC, its distribution in time and the associated collection cost is a key uncertainty within the Group's policies on revenue recognition of purchased portfolios. These estimates are based on the Group's collection history with respect to not only the assessed portfolio but also portfolios comprising similar attributes and characteristics, such as date of purchase, debt originator, type of receivable, customer payment history, customer location, and the time since the original charge-off, as well as the Group's experience and existing schedules of repayment plans on the particular portfolio.

Although ERC must inevitably be based on, among other things, certain assessments and interpretations of trends of a forward-looking nature, these calculations when made on a consistent basis over different periods and different portfolios should provide for a more consistent and reliable basis for the Group to meet its accounting requirements to continuously review the carrying values of these portfolios (see line item "acquired loan portfolios" in the Group's consolidated balance sheet). The ERC calculations, which are made public on an aggregated basis through the Group's regular reporting, are thus made individually for each portfolio as from its acquisition on the basis of, among other things, the initial investment calculation made as well as the subsequent actual collections and deemed future collections, for the purpose of adequately adjusting such carrying values as appropriate (inclusive of the application of reasonable revenue recognition), and not only to assess the adequacy of the initial investment calculation that was made in relation to the respective portfolio purchase. The ERC calculations are performed consistently with the accounting policies and principles applied in the initial accounting for such acquisitions when made, among other things, by applying the same calculation interest rate for discounted cash-flow purposes that formed part of the investment calculation throughout the subsequent ERC calculations.

The Group can provide no assurances that it will achieve such collections within the specified time periods, or at all. ERC is a measure that is also often used by other companies in the debt purchasing industry. However, it may be calculated differently by other companies. The Group reports its ERC because it represents an estimate of the anticipated future cash collections on its purchased portfolios at any point in time, which is an important supplemental measure used by management to assess the Group's performance and the cash generation capacity of the assets backing its business. The Group uses ERC as the business case forecast horizon when purchasing portfolios and the Group also uses it for accounting purposes. In this Offering Circular, the Group presents ERC on its purchased portfolios over a 120 month period. The table below sets forth gross 120-month ERC for the Group as of 31 December 2019, 2018 and 2017 respectively.

Gross 120-month ERC

	As of 31 December		
SEK million	**2019**	**2018**	**2017**
ERC[(1) (2)]	35,460	30,733	23,991

(1) From 1 January 2018, Hoist Finance has decided to extend the future cash flow forecast horizon for acquired loan portfolio to 180 months, as compared to the previous horizon of 120 months. Comparative figures have not been restated.
(2) Excluding run-off consumer loan portfolio, performing loan portfolios, and portfolios held in the Polish joint venture.

Return on equity

Return on equity is the Group's net profit for the year adjusted for accrued unpaid interest on AT1 capital, divided by equity, adjusted for AT1 capital reported in equity, calculated as the quarterly average for the financial year. Return on equity is one of four financial targets, and the Group targets a 15 per cent. Return on equity in the medium term in order to ensure the right balance between growth, profitability and capital efficiency. The definition of Return on equity was changed from 1 January 2018 to include adjustment for items affecting comparability. In the table below, Return on equity for 2018 and 2017 respectively has been re-stated to the new definition.

Return on equity calculations, adjusted for items affecting comparability

	Quarter 4	Full year	Full year
SEK million	**2019**	**2018**	**2017**
Equity	4,900	4,413	3,228
Additional Tier 1 capital	(690)	(690)	(380)
Reversal of interest expense paid for AT1 capital	62	42	28
Reversal of items affecting comparability[(1) (2)]	72	9	102
Total equity	4,343	3,774	2,978
Total equity (quarterly average)	4,287	3,277	2,752
Profit for the year	110	590	453
Reversal of items affecting comparability[(1) (2)]	37	9	102
Estimated annual profit	586	599	555
Adjustment of interest on AT1 capital	(60)	(59)	(40)
Adjusted annual profit	525	540	515
Return on equity, %	12	16	19

(1) Items affecting comparability 2018 refer to a cost linked to the take-over of a previously externally managed loan portfolio and to restructuring costs during second quarter, a modification gain taken up as income in conjunction with new share issue and repurchase of senior bonds during third quarter, and restructuring and acquisition costs during fourth quarter, including tax.

(2) Items affecting comparability 2017 refer to costs which arose in connection with the repurchase of subordinated debts and outstanding bonds during second quarter 2017 and with restructuring costs and adjustment of previous cost accruals during fourth quarter 2017, including tax.

Adjusted EBITDA

Adjusted EBITDA is the Group's earnings before interest, tax, depreciation and (non-costed) amortisation ("**EBITDA**"), adjusted by further adding back (costed) amortisation on run-off portfolios and (costed) amortisation on acquired loan portfolios. The Group uses this measure to show the Group's aggregated cash generation from its business in order to facilitate comparisons over time as well as with other companies in the same industry.

EBITDA, adjusted[(1)(2)]

	Quarter 4	Full Year	Full Year
SEK million	**2019**	**2018**	**2017**
Profit for the period	111	590	453
+ Income tax expense	36	165	128
+ / - Net result from financial transactions	(1)	(43)	50
+ Interest expense	149	351	305
- Interest income (excl. interest from run-off performing portfolio)	3	15	14
+ Portfolio revaluations[(3)]	32		(11)
-/+ Impairment gains and losses		(261)	
+ Depreciation and amortisation of tangible and intangible assets	29	61	56
EBITDA	**359**	**878**	**995**
+ Amortisation on run-off portfolio			11
+ Amortisation on acquired loan portfolios			2,244
+ Gross cash collections on acquired loan portfolios	1,622	5,533	
- Interest income on acquired loan portfolios	(865)	(2,800)	
EBITDA, adjusted	**1,116**	**3,611**	**3,250**

(1) As from 1 January 2018, interest income from acquired loan portfolios is calculated using the effective interest rate in accordance with IFRS 9. Previously, net revenue from acquired loans was calculated as gross collections on acquired loan portfolios less portfolio amortisation and

revaluation. This measure includes both the effects of gross collections exceeding collection forecasts, and portfolio revaluation. Under IFRS 9, portfolio revaluation is reported in the income statement item Impairment gains and losses.

(2) For items shaded with grey in the table above there are no comparative numbers due to the IFRS 9 transition.

(3) The definition of Adjusted EBITDA has changed from 1 January 2019 to include realised collections in excess of projections.

Geographic presence

Hoist Finance is present in eleven countries across Europe. When a licensed entity wishes to conduct licensed activities in other jurisdictions, this can be done either by establishing a branch or by conducting business itself in such new jurisdiction. The latter is referred to as "passporting the license". The Issuer has established branches in Belgium, the Netherlands, Germany and France and is thereby subject to scrutiny from local regulators in these jurisdictions in addition to the supervision conducted by the SFSA. The Issuer has also passported its license to conduct financial business into France, Greece, Germany, Austria, and the United Kingdom and the SFSA has notified the local regulators in each of these jurisdictions that the Issuer is, will be or is evaluating the possibility of, conducting business there. A large part of the Issuer's business is conducted through its subsidiaries and branches.

In Poland, Hoist Finance is licensed by the Polish Financial Supervisory Authority (*Komisja Nadzoru Finansowego*) to service assets of securitisation funds, which is the typical structure used to purchase NPLs in Poland.

Hoist Finance undertakes collections on purchased debt in Germany, Austria, Belgium, the Netherlands, France, the United Kingdom, Poland, Italy, Spain and Greece (via an outsourced partner and through its partly owned subsidiary). Hoist Finance's headquarters are located in Stockholm, Sweden, where Hoist Finance also raises funding through its deposit platforms, and manages Group functions for finance, risk control and compliance, but where Hoist Finance does not collect debt. In addition, Hoist Finance has offices in London, United Kingdom and Duisburg, Germany, where, some Group functions, including Hoist Finance's Group investments function, are located.

While Hoist Finance's debt purchase process, including sales, origination and analytics, is largely centralised and carried out on a Group level, the debt collection activities are mainly carried out locally in each market.

United Kingdom

In the United Kingdom, Hoist Finance purchased its first portfolio in 2011 and has since grown its operations largely on the back of its acquisitions of Robinson Way in 2012, the Lewis Group in 2013 and Compello in 2015. Through the acquisitions of these companies, Hoist Finance significantly expanded its operations in the United Kingdom, benefiting from economies of scale, recognised brand names and leading collection platforms.

In the United Kingdom, Hoist Finance has both debt purchase and third-party debt servicing operations. The debt purchasing operations are complemented by a panel of reliable and carefully selected debt servicing partners. Hoist Finance operates one collection platform in Manchester in the United Kingdom.

The acquisitions in the United Kingdom were highly complex transactions and milestones in Hoist Finance's expansion across Europe. The acquisition of Robinson Way included 256 full time employees, one collection platform in two locations, a large data warehouse and a significant portfolio of debt claims. At the time of the acquisition of the Lewis Group, the Lewis Group operated from three platforms, with 330 full time employees across the United Kingdom (including certain consultants), had developed a large data warehouse and included a substantial NPL portfolio. The purchase price paid for the Lewis Group was largely equal to the value of the NPL portfolio that was part of the acquisition, thus attributing only a modest value to the operations and reflecting the operational challenges involved in taking over the business. Following the two acquisitions, substantial strategic measures were implemented, including complex integration plans and operational focus, in order to reach the structure and size that is operated as of the date of this Offering Circular. Robinson Way has strong call-centre capabilities and is a market leader within debt servicing with a focus on debt owned by third-party clients in the banking sector, and, at the time of the acquisition, the Lewis Group was one of the leading debt purchasing companies in the United Kingdom, specialising in financial assets and collections through litigation. Following an extensive post-acquisition evaluation and integration process of the Lewis Group, Hoist Finance decided to integrate the Lewis Group into Robinson Way. In 2015, Hoist Finance acquired the debt purchase company Compello, including a collection platform in Milton Keynes (which was integrated with the site in Manchester during 2018) as well as a diversified banking portfolio consisting of more than one million banking claims.

The Financial Conduct Authority (the "**FCA**") is the regulator of debt collection companies in the United Kingdom. In July 2016, Hoist Finance UK and Robinson Way were authorised by the FCA, serving as a permission to carry out certain regulated activates within the consumer credit space subject to the FCA's supervisory and regulatory regime.

Hoist Finance believes that the United Kingdom market is a transparent market with high visibility and that, although there is some price pressure in this market, attractive returns can still be identified. The new regulations, resulting in more stringent requirements on risk and compliance procedures, have resulted in certain structural changes in the United Kingdom market where a number of minor market participants in the debt collection industry who did not have sufficient resources and procedures have been eliminated. Hoist Finance's strategic focus in the United Kingdom is to continue participating in larger portfolio purchases and target additional major banks. Hoist Finance foresees that a majority of the pipeline will be from the banking sector, with certain purchases from other selected asset classes.

During the financial year ending 31 December 2018, the Group had an average of 380 full-time employees in the United Kingdom.

France

Hoist Finance entered the French market in 2001. Similar to the market entrance in Germany, this was achieved through a number of purchases of NPL portfolios and Hoist Finance has since then invested significantly in optimising the structure, processes and systems of its French platform, including a minor acquisition of a collection platform in 2006. In 2019, Hoist Finance made the largest portfolio investment in the company's history through the acquisition of a EUR 375 million French non-performing mortgage portfolio, adding significant volume to its French operations as well as to secured portfolios segment.

Most major banks have not yet systematically sold portfolios and have performed the bulk of their collection and recovery activities in-house. Despite the relative immaturity of the market, forward flow agreements are an established tool used by a variety of regional banks. In France, Hoist Finance operates through a hybrid model of in-house collections complemented by third-party collections, including a network of reliable and carefully selected debt collection providers, bailiffs and lawyers. Following a site consolidation in 2019, Hoist Finance operates one collection platform in France located in Lille, and has recently established an office in Paris focusing on secured portfolios.

During the financial year ending 31 December 2018, the Group had an average of 115 full-time employees in France.

Spain

Hoist Finance entered the Spanish market in June 2016 by purchasing its first portfolio. In September 2016, Hoist Finance also acquired the Madrid based master servicing company Optimus.

During the financial year ending 31 December 2018, the Group had an average of 45 full-time employees in Spain.

Germany / Austria

Hoist Finance has operated in Germany since 1997 when Hoist Finance established operations through a number of NPL portfolio purchases managed out of its Swedish operations. Hoist Finance has grown its German operations primarily through two substantial structural sale transactions. In 1999, Hoist Finance acquired Citibank's collection platform in Bremen and Duisburg, including 90 full time employees and a portfolio with more than 150,000 claims, and in 2006, Hoist Finance expanded further through the acquisition of the German debt collection platform of SEB, including 80 full time employees and a mixed portfolio of secured and unsecured claims.

In Germany, Hoist Finance has partnerships with a large number of financial institutions. Hoist Finance operates in-house collections with one collection platform in Duisburg and has both debt purchase operations, focusing on unsecured consumer NPLs, and debt servicing operations, although the debt servicing operations are conducted

very selectively. During the financial year ending 31 December 2018, the Group had an average of 255 full-time employees in Germany.

Austrian portfolios are managed by Hoist Finance's German platform, with administrative file-handling managed through a local debt servicing agency, as Hoist Finance has no local presence in Austria.

Poland

Hoist Finance has had a significant presence in Poland since 2011. Along with strong economic growth, consumer lending in Poland has grown strongly over the past ten years. Consequently, levels of consumer NPLs have grown correspondingly over the same period and Polish banks have been quick to adopt portfolio sales as a standard measure at the end of their credit cycles. Until 2014, Hoist Finance fully outsourced its collections in Poland. On 31 December 2014, Hoist Finance acquired Navi Lex (whose name was subsequently changed to Hoist Polska), one of Hoist Finance's debt servicing partners in Poland. In the second quarter of 2018, the Group acquired a performing loan portfolio including a small platform in Warsaw.

During the financial year ending 31 December 2018, the Group had an average of 273 full-time employees in Poland.

Belgium / the Netherlands

Hoist Finance has been present in Belgium since 2006 and in the Netherlands since 2007. Hoist Finance entered both markets by purchasing its first portfolios from debt originator clients with whom Hoist Finance had existing relationships in other markets. Since then, Hoist Finance has grown its operations by building collection platforms in both jurisdictions and entering into strategic partnerships with a network of carefully selected debt servicing partners.

In both Belgium and the Netherlands, Hoist Finance's focus is on NPLs originated by financial institutions. The Dutch market is characterised by the efficient and effective bailiff system that is a fundamental component of Dutch debt collection practices. Consequently, in the Netherlands Hoist Finance operates through a hybrid model of in-house and outsourced collections designed to optimise the use of the bailiff system. Hoist Finance's collections in Belgium are mainly conducted in-house via its platform in Amsterdam.

During the financial year ending 31 December 2018, the Group had an average of 42 full-time employees in Belgium and the Netherlands.

Italy

Hoist Finance entered the Italian market by purchasing its first portfolio in 2011. Focusing initially on purchasing tertiary payer claims known as cambiali (Italian bills of exchange that are legally binding payment plans offering stable and predictable cash flows), Hoist Finance built a presence in the Italian market and gained increased market intelligence. Hoist Finance has since broadened its scope of assets in Italy, including claims from SMEs and mortgage debt. Although Hoist Finance has experienced increased competition in portfolio purchases in recent years, Hoist Finance has continued to extend its local relationships and footprint. As such, in August 2014 Hoist Finance acquired the operations of its Italian service partner TRC (whose name was subsequently changed to Hoist Italia) for the purposes of scaling up the Italian operations.

Several banks on the Italian market have recently begun to actively pursue NPL sales. Italy is a strategically important market as Hoist Finance expects banks to increasingly carry out systematic sales to clear out their backlog of NPLs and to sell claims at an earlier stage of the recovery cycle. Hoist Finance expects to continue to build on this collection platform ahead of this expected growth development. Following on this strategy, in October 2018 Hoist Finance entered into an agreement to lease and subsequently acquire as a going concern the business of the Italian debt collection company group Maran. In addition to increased capacity, the acquisition of the Maran Group enables Hoist to offer the Italian banking sector a full range of debt restructuring services.

Hoist Finance operates two collection platforms in Lecce and Rome, respectively. During the financial year ending 31 December 2018, the Group had an average of 349 full-time employees in Italy.

Greece

In 2016 Hoist Finance entered into a strategic partnership as part of a consortium, consisting of Hoist Finance, Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A., selected via a tender process initiated by the Bank of Greece, to manage an aggregated NPL portfolio of 16 Greek banks and financial institutions under liquidation and to drive the reorganisation and optimisation of the underlying entities. Total assets of the NPL portfolio amount to approximately EUR 9 billion and cover all major asset classes. In November 2018 Hoist Finance concluded its first transaction in the Greek market through the acquisition of a EUR 76 million portfolio of non-performing, unsecured consumer and small business loans from Greek Alpha Bank.

In addition, Hoist Finance has established a wholly owned local subsidiary, Hoist Hellas S.A., licensed as a credit servicing firm by the Bank of Greece.

During the financial year ending 31 December 2018, the Group had an average of 3 full-time employees in Greece.

Strategy

Hoist Finance has developed a core strategy underpinned by the below pillars.

Strengthen and expand in prioritised markets and capture market growth, both organically and through acquisitions.

Hoist Finance's strategy is to leverage the Group's local knowledge and relationships and capture the strong growth in the Group's six prioritised markets (France, Germany, Italy, Poland, Spain and the UK). New markets will be pursued on an opportunistic basis and through existing relationships.

Expand into new asset classes while maintaining a disciplined investment process.

Addressing changing market dynamics, Hoist Finance has expanded its investment scope to include small and medium-sized enterprises, unsecured and secured loans, business-to-consumer loans, and performing loans. Hoist Finance intends to maintain its business and investment discipline also after an eventual expansion of its operations in existing and/or new asset classes. In order to ensure that each portfolio matches Hoist Finance's strategic goals, acquisition criteria, and required rate of return, Hoist Finance utilises an internal evaluation process. Hoist Finance's intention is to maintain its focus on being a leading partner to international banks and financial institutions across Europe by offering services to meet the full spectrum of client needs.

Build upon the Issuer's status as a regulated credit institution.

The Group's key clients, international banks and financial institutions, are highly focused on regulatory compliance and reducing reputational risk. A strategy of Hoist Finance is to take advantage of the Issuer's status as a Credit Market Company and its understanding to operate in a regulated environment in order for its clients to take comfort that the Group's operations are designed to comply with high standards.

Develop collection strategies with emphasis on in-house collection.

Hoist Finance is constantly engaging in the optimisation of its collection strategies and improving efficiency in the collection processes. The Group primarily manage collections on its portfolios through its in-house collection platforms across Europe. This strategy gives the Group several benefits, including full control of the collection process, substantial scalability in the business model, and the opportunity to tailor optimal collection strategies based on its experience and access to portfolio and collection data. Infusing the Group's in-house and optimised collection model with new data will remain a core tenet of the Group's operational model.

Leverage existing benefits of scale.

As the business of the Group expands, Hoist Finance will be able to utilise its embedded operating leverage to further increase efficiency while at the same time take steps to leverage best practices across the organisation and to streamline operations as appropriate.

Maintain and develop strong funding base and leverage on solid capital and liquidity positions.

Hoist Finance has a diversified funding base consisting of a large deposit base in both SEK and EUR, listed bonds and commercial paper. This funding base has given the Group access to a flexible and cost-efficient funding platform. In the future the Group's funding base may also include other means of financing, such as syndicated credit facilities and other structured finance products including securitisation transactions. Solid capital and liquidity positions, in combination with flexible and low cost funding, gives the Group leverage to drive further business growth.

Competition

Competition and pricing levels in the markets in which the Group operates affect the Group's ability to successfully and profitably purchase debt portfolios. In recent years, there has been a trend towards increased concentration in the industry, with a small core group of pan-European debt purchasers (debt purchasers with presence in more than four European markets where no single market represents more than 50 per cent. of revenue), such as Intrum, Lowell, EOS, Kruk and Portfolio Recovery Associates, expanding in scale as partners, in particular financial institutions, increasingly place value on a robust compliance framework, a multi-national presence and long-term relationships with debt purchasers. In addition, there are large single-market focused debt purchasers, such as Encore and Arrow Global, which are primarily focused on the United Kingdom. In line with this recent concentration, there has been an increase in sophistication in the industry, where reputation and ethical behaviour have become of fundamental importance in order to maintain relationships with current and potential sellers, especially financial institutions. This has forced the industry to generally increase the quality of debt purchasing operations in order to maintain competitiveness, and these major market participants have the operational resources to respond to these developments.

Further, this will also encourage further industry consolidation in Europe. As the general level of competition in the debt purchasing industry has increased, the prices for portfolios have increased accordingly. In particular unsecured consumer NPLs have become subject to increasingly competitive pricing as financial institutions have taken a strategic view to divest these types of portfolios. As these portfolios have grown in size and value, this has become an attractive sector and existing market participants, together with new market entrants, have intensified competition and pricing. Furthermore, the increased overall price levels are likely to be largely due, to an increasing proportion of claims sold being already paying or in an advanced legal stage of collection, as opposed to older, non-paying claims. Meanwhile, a lot of transactions are conducted off-market which makes it difficult to accurately report the overall price trend.

Insurance

Hoist Finance's Group-wide insurance policies include insurance to cover certain risks associated with the Group's business, including general liability, crime insurance, professional liability, directors' and officers' liability insurance and cyber insurance. The Group uses an insurance broker to maintain consistency of coverage across jurisdictions.

Internal governance and control

Hoist Finance's internal control framework is designed to establish three "lines of defence": management and implementation, control functions and audits.

In the first line of defence, the Board of Directors of the Issuer decides on the objectives, strategies and risk levels to be applied in Hoist Finance's operations, including issuing policies on Hoist Finance's operational governance. Hoist Finance's Executive Management Team manages and delegates these decisions to non-executive and mid-level management who, in turn, are responsible for implementing these decisions across Hoist Finance's operations. There are reporting procedures in place all the way from local level up to management and board level. These reporting procedures serve to identify and elevate any risk management and compliance issues and thus ensure that Hoist Finance's internal governance is effective and that the execution of Hoist Finance's objectives and strategies is carried out in compliance with applicable laws and regulations.

In the second line of defence, Hoist Finance has dedicated risk and compliance functions that serve as independent support and provide advice for internal control processes, assess important areas of risk and compliance and

follow up specific risk control and compliance measures. Hoist Finance's risk control and compliance functions are located at Hoist Finance's headquarters in Stockholm, Sweden.

In the third line of defence, Hoist Finance regularly carries out independent internal, as well as external, audits to test and review the work carried out in the first two lines of defence and to continuously identify areas of improvement.

Board of directors

The Board of the Issuer consists of eight members elected by the General Meeting of Shareholders. The table below sets forth the name and current position of each Board member.

Name	Position	Board member since
Ingrid Bonde	Chair	2014
Cecilia Daun Wennborg	Member	2017
Malin Eriksson	Member	2017
Liselotte Hjorth	Member	2015
Robert Kraal	Member	2019
Marcial Portela	Member	2018
Joakim Rubin	Member	2017
Lars Wollung	Member	2019

Ingrid Bonde

Born 1959. Chair of the Board and Board member since 2014.

Principal education: Master of Business Administration, Stockholm School of Economics and studies at New York University.

Other on-going principal assignments: Chair of the board of the Swedish Climate Policy Council (*Sw. Klimatpolitiska rådet*), Apoteket AB and Alecta pensionsförsäkring and member of the board of directors of Loomis AB, Securitas AB, and the Swedish Corporate Governance Board (*Sw. Kollegiet för svensk bolagsstyrning*).

Cecilia Daun Wennborg

Born 1963. Board member since 2017.

Principal education: Bachelor of Business Administration, Stockholm University.

Other on-going principal assignments: Member of the board of directors of Getinge AB, ICA Gruppen AB, Loomis AB, Bravida Holding AB, Hotell Diplomat, Atvexa AB, Oncopeptides AB, Sophiahemmet Non-Profit Association, Sophiahemmet AB, the Swedish Securities Council (*Sw. Aktiemarknadsnämnden*) and Oxfam Foundation in Sweden.

Malin Eriksson

Born 1971. Board member since 2017.

Principal education: Bachelor of Science in Business, Ithaca College, New York.

Other on-going principal assignments: –

Liselotte Hjorth

Born 1957. Board member since 2015.

Principal education: Bachelor of Science in Business Administration and Economics, Lund University.

Other on-going principal assignments: Chair of the board of directors of White arkitekter AB, White Intressenter AB and Eastnine AB and member of the board of directors of Rikshem AB, Ativo Finans AB, BNP Paribas Real Estate Investment Management Germany GmbH and Emilshus AB.

Robert Kraal

Born 1974. Board member since 2019.

Principal education: Master of Science in geophysics from Utrecht University

Other on-going principal assignments: Chief Executive Officer of Skillpe BV and Paysium Holding BV.

Marcial Portela

Born 1945. Board member since 2018.

Principal education: M.A. in political Science, Universidad Complutense de Madrid, and M.A. in Sociology, University of Louvain.

Other on-going principal assignments: Chairman of the board of directors of KIDER S.L and member of the board of directors of Gaudea and MRFactory.

Joakim Rubin

Born 1960. Board member since 2017.

Principal education: Master of Science Industrial Engineering and Management, Linköping Institution of Technology.

Other on-going principal assignments: Partner and Chief Investment Advisor of Public Value advisory team at EQT AB and member of the board of directors of Cramo Plc and ÅF AB.

Lars Wollung

Born 1961. Board member since 2019.

Principal education: Bachelor of Business Administration, Stockholm School of Economics and a Master of Science in Information Technology, Royal Institute of Technology, Stockholm.

Other on-going principal assignments: Chairman of the board of directors and Chief Executive Officer of Dignisia. Chairman of the board of directors of MySafety Försäkringar, Sundbom & Partners and RaySearch, and member of the board of directors of BlueStep Bank. Management consultant at TPS Advisory AB.

Committees

The Board of Directors of the Issuer has three committees: the Remuneration Committee, the Risk and Audit Committee and the Investment Committee.

The Remuneration Committee's primary task is to prepare the Board of Directors to make decisions on remuneration policies, remuneration and other terms of employment for Executive Management Team members and control function employees. The committee monitors and evaluates ongoing variable remuneration programmes for the Executive Management Team and those completed during the year, as well as the application of the remuneration guidelines for senior executives resolved on by the general meeting and the Group's remuneration structure and remuneration levels. The Remuneration Committee informs the full Board of Directors at each ordinary Board meeting about matters discussed and prepared. The Remuneration Committee has three members.

The Risk and Audit Committee serves in an advisory capacity and prepares issues for consideration and decision by Hoist Finance's Board of Directors. The Risk and Audit Committee also had a mandate to make decisions in matters regarding the procurement of non-audit related services from external auditors. The committee is responsible for monitoring and ensuring the quality of financial reporting and the effectiveness of the Issuer's internal control and tasks performed by the Internal Audit, Risk Control and Compliance functions. The committee also discusses valuation issues and other assessments pertaining to the annual accounts. In matters relating to the external audit, the Risk and Audit Committee is, notwithstanding the Board of Directors' other responsibilities and duties, to regularly meet with and reviews reports from the company's external auditors in order to remain informed about the focus and scope of the audit and to discuss the coordination of the external and internal audit with the external auditor. The Risk and Audit Committee informs the Board of Directors about audit results, the manner in which the audit contributed to the reliability of financial reporting, and the role played by the committee in the process. The committee also remains informed about Swedish Inspectorate of Auditors' quality control of the Issuer's external auditors and is responsible for the auditors' independence and impartiality and the selection procedure for auditor recommendation. The Risk and Audit Committee informs the full Board of Directors at each ordinary Board meeting about matters discussed and decisions made by the committee. The Risk and Audit Committee has four members.

The main task of the Board Investment Committee is to monitor the quality of Hoist Finance's portfolio investments and investment processes. Further, the Board Investment Committee shall verify certain decisions made by the Management Investment Committee. Potential portfolio investments with a value above EUR 75 million, complex non-standard transactions above EUR 25 million or which require an SFSA approval always require the approval of the Board Investment Committee, while permanent establishments in new markets and acquisitions and transfer of companies or parts of business will have to be approved by the Board of Directors. The Board Investment Committee informs the full Board of Directors at each ordinary Board meeting about matters discussed and investment decisions made by the committee. The Board Investment Committee has three members.

The work of each committee is performed in accordance with written instructions and the rules of procedure for the Board of Directors stipulated by the Board of Directors. The work of the Remuneration Committee, the Risk and Audit Committee and partially the Investment Committee is preparatory in nature and does not constitute a delegation of the liability under Swedish law of the Board of Directors for these matters.

The Board of Directors of the Issuer has, in addition to the Board committees, implemented three other non-Board committees. The work of each committee is performed in accordance with written instructions stipulated by the Board of Directors. These committees are the Management Investment Committee, the Asset and Liability Committee and the Credit Committee and each of the committees have certain decision making powers. The Management Investment Committee is the body responsible for the Group's investment decisions, in accordance with the Group's investment instructions and pricing guidelines, and undertakes controls as to the performance of the Group's portfolios. The Asset and Liability Committee is the body that decides upon the strategic planning of the company's balance sheet and the management of it, including the responsibilities for decision-making in relation to HoistSpar and Hoist Finance's German savings accounts product, and in relation to limits, interest rate and other terms for intra-group loans to wholly-owned subsidiaries. The Credit Committee is responsible for monitoring the performing loan book and has certain decision making power in relation to credit decisions.

Executive Management Team

The Executive Management Team of the Group consist of a team of eight persons.

Klaus-Anders Nysteen

Chief Executive Officer and Chief Operating Officer

Born 1966. Hoist Finance employee since 2018.

Principal education: Master of Business administration from Norwegian school of economics and business administration (NHH).

Other on-going principal assignments: Chair of the board of directors in Webstep ASA and member of the board of directors in Asset Buyout Partner AS.

Christer Johansson

Chief Financial Officer

Born 1979. Hoist Finance employee since 2014.

Principal education: MSc in Engineering, Royal Institute of Technology, Stockholm.

Other on-going principal assignments: –

Emanuele Reale

Chief Sales Officer

Born 1966. Hoist Finance employee since 2014.

Principal education: Degree in Business Administration, American College in London.

Other on-going principal assignments: –

Stephan Ohlmeyer

Chief Investment Officer

Born 1968. Hoist Finance employee since 2018.

Principal education: PhD and Diploma in Physics, University of Hamburg, Germany.

Other on-going principal assignments: –

Julia Ehrhardt

Chief Retail Banking and Business Development Officer

Born 1980. Hoist Finance employee since 2020.

Principal education: Engineering Physics, The Royal Institute of Technology.

Other on-going principal assignments: –

Ulf Eggefors

Chief People Officer

Born 1961. Hoist Finance employee since 2017.

Principal education: Economic studies at University of Stockholm.

Other on-going principal assignments: –

Anders Carlsson

Chief General Counsel

Born 1983. Hoist Finance employee since 2014.

Principal education: Master of Laws (LL.M.), Stockholm University.

Other on-going principal assignments: –

Fabien Klecha

Country Manager France

Born 1984. Hoist Finance employee since 2012.

Principal education: Bachelor Degree in Business Administration, Università Commerciale L. Bocconi. Master Degree in Management, HEC Paris.

Other on-going principal assignments: –

Conflicts of interest

No member of the Board of Directors or Executive Management Team has any private interest that might conflict with Hoist Finance's interests or those of the Issuer. However, several members of the Board of Directors and Executive Management Team have certain financial interests in Hoist Finance as a consequence of their holdings, direct or indirect, of shares in the Issuer. There are no family ties between members of the Board of Directors or the Executive Management Team.

Material Contracts

The Issuer has not entered into any material contracts, which are not entered into in the ordinary course of its business, which could result in any member of the Group being under any obligation or entitlement that is material to the Issuer's ability to meet its obligations to the holders of the Notes.

Business address

The members of the Board of Directors, the members of the Executive Management Team and the members of the Group Management may be contacted at the Issuer's address Bryggargatan 4, SE-111 21 Stockholm, Sweden.

Auditors

The most recent auditor election was at the 2019 annual general meeting, when KPMG AB with Anders Bäckström (authorised public accountant and member of FAR, the Swedish Institute for Authorised and Approved Public Accountants) as auditor-in-charge, was re-elected for the period until the end of the 2020 annual general meeting. KPMG AB has been the Issuer's auditor since the 2013 annual general meeting. KPMG AB's office address is Vasagatan 16, SE 101 27, Sweden.

TAXATION

Prospective purchasers of Notes are advised to consult their tax advisers as to the tax consequences under the tax laws of the country of which they are resident of a purchase of Notes, including, but not limited to, the consequences of receipts of interest and sale or redemption of Notes.

The following descriptions are general summaries of certain taxation matters based on applicable law and practice currently in effect in the relevant jurisdictions. Nothing in this section constitutes tax, legal or financial advice, and the summaries contained herein are of a general nature and do not cover all aspects of taxation in the relevant jurisdictions that may be relevant to any particular holder of Notes. Prospective investors in the Notes should consult their professional advisers on the tax implications for them of an investment in the Notes.

SWEDISH TAXATION

The following summary outlines certain Swedish tax consequences of the acquisition, ownership and disposal of Notes. The summary is based on the laws of Sweden as in effect as of the date of this Offering Circular and is intended to provide general information only. The summary is not exhaustive and does thus not address all potential aspects of Swedish taxation that may be relevant for a potential investor in the Notes and is neither intended to be, nor should be construed as, legal or tax advice. In particular, the summary does not address the rules regarding reporting obligations for, among others, payers of interest; Notes held by a general partnership or a limited partnership or Notes that are held on an "investment savings account" (investeringssparkonto). Specific tax consequences may be applicable to certain categories of companies, e.g. investment companies and life insurance companies.

Investors should consult their tax advisors regarding the Swedish and foreign tax consequences (including the applicability and effect of tax treaties) of acquiring, owning and disposing of Notes in their particular circumstances.

Non-resident holders of Notes

As used herein, a non-resident holder means a holder of Notes who is (a) an individual who is not a resident of Sweden for tax purposes and who has no connection to Sweden other than his/her investment in the Notes, or (b) an entity not organised under the laws of Sweden.

Interest paid to a non-resident holder of any Notes, as well as any capital gain arising out of a sale of the Notes by such a holder (with the exception noted below), should not be subject to Swedish income tax provided that such holder does not carry out business activities from a permanent establishment in Sweden to which the Notes are effectively connected. Under Swedish tax law, no withholding tax is imposed on payments of principal or interest to a non-resident holder of any Notes.

Further, repayment of principal is not in itself subject to Swedish income tax.

Individuals who are not resident in Sweden for tax purposes may be liable to capital gains taxation in Sweden upon disposal or redemption of certain financial instruments. This may be the case if they have been resident in Sweden or have lived permanently in Sweden at any time during the calendar year of disposal or redemption or the ten calendar years preceding the year of disposal or redemption. However, this liability may be limited by tax treaties between Sweden and other countries.

Resident holders of Notes

As used herein, a resident holder means a holder of Notes who is (a) an individual who is a resident in Sweden for tax purposes or (b) an entity organised under the laws of Sweden.

Generally, for Swedish companies and private individuals (and estates of deceased individuals) that are resident holders of any Notes, all capital income (e.g. income that is considered to be interest for Swedish tax purposes and capital gains on Notes) will be taxable. Further, a capital loss should generally be deductible.

Repayment of principal is not in itself subject to Swedish income tax. Further, Swedish tax law does not impose withholding tax on payments of principal or interest to a resident holder of notes. However, if amounts that are considered to be interest for Swedish tax purposes are paid to a private individual (or an estate of a deceased person) that is a resident holder of Notes, Swedish preliminary tax (*preliminärskatt*) of 30 per cent. is normally withheld.

THE PROPOSED FINANCIAL TRANSACTION TAX

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced apply to certain dealings in financial instruments (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional European Union Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

Subject to the terms and conditions set forth in a Subscription Agreement dated 24 February 2020 (the "**Subscription Agreement**") between the Issuer and Citigroup Global Markets Limited and Nordea Bank Abp as Joint Lead Managers (the "**Joint Lead Managers**"), the Issuer has agreed to issue to the Joint Lead Managers and the Joint Lead Managers have jointly and severally agreed to purchase or find purchasers for the Notes. The Issuer has, pursuant to the terms of the Subscription Agreement, agreed to pay the Joint Lead Managers certain commissions and to reimburse certain of their expenses in connection with their appointment as Joint Lead Managers, and has agreed to indemnify the Joint Lead Managers against certain liabilities incurred in connection with the issue of the Notes.

Prohibition of sales to EEA and UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the EEA or in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**") received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Joint Lead Manager has represented and agreed that it will not offer or sell the Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (the "**distribution compliance period**"), within the United States or to, or for the account or benefit of, U.S. persons, and it will send to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Sweden

Each Joint Lead Manager has represented and agreed that it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell any Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare an Offering Circular pursuant to the provisions of the Prospectus Regulation.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the "**FIEA**"). The Notes will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

No action has been or will be taken in any jurisdiction by the Joint Lead Managers or the Issuer that would or is intended to permit a public offering of the Notes, or possession or distribution of any offering documents or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

Each Joint Lead Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor the Joint Lead Managers shall have any responsibility therefor.

The Notes are not intended to be sold and should not be sold to retail clients in the EEA (including, for these purposes, the United Kingdom), as defined in the rules set out in the PI Rules, other than in circumstances that do not and will not give rise to a contravention of those rules by any person. Prospective investors are referred to the section headed "*Restrictions on marketing and sales to retail investors*" on page 3 of this Offering Circular for further information.

GENERAL INFORMATION

1. Approval, listing and admission to trading

Application has been made to Euronext Dublin for the Notes to be admitted to trading on the Global Exchange Market and to be listed on the Official List. The Global Exchange Market is not a regulated market for the purposes of MiFID II.

2. Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of the Notes was authorised by a resolution of the Board of Directors passed on 11 February 2020.

3. Documents available

For as long as any of the Notes are listed on Euronext Dublin, physical copies of the following documents may be inspected at and will be available, upon request, free of charge, from the registered office of the Issuer and from the specified offices of the Paying and Transfer Agents (where applicable, with an English translation thereof) during normal business hours:

3.1. the constitutional documents of the Issuer;

3.2. this Offering Circular and any amendment or supplement hereto (if any, to the extent published after the date hereof);

3.3. the Fiscal Agency Agreement (which includes the forms of Global Certificate and Note Certificate);

3.4. the consolidated audited financial statements of the Issuer in respect of the financial years ended 31 December 2018 and 31 December 2017 (with an English translation thereof) together with the audit reports prepared in connection therewith; and

3.5. the unaudited consolidated interim financial statements of the Issuer for the three-month period ended 31 December 2019 as set out in the Issuer's Interim Report Q4 2019.

In addition, this Offering Circular will be published on the website of Euronext Dublin (*www.ise.ie*).

4. Clearing systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN of the Notes is XS2121223353 and the Common Code is 212122335.

The address of Euroclear is 1 Boulevard du Roi Albert II, B.1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J. F. Kennedy, L-1855 Luxembourg.

5. Legal Entity Identifier

The Legal Entity Identifier (LEI) of the Issuer is 549300NPK3FB2BEL4D08.

6. Material change

Since 31 December 2018 there has been no material adverse change in the prospects of the Issuer or the Group, except for the regulatory changes concerning the NPL Backstop (see further "*The Group is subject to a risk of changes to, or failure to comply with, legislation and regulation relating to capital adequacy and liquidity requirements.*") and, since 31 December 2019, there has been no significant change in the financial or trading position of the Issuer or Group.

7. Litigation

Neither the Issuer nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Offering Circular which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer or the Group.

8. Independent auditors

The auditors of the Issuer are KPMG AB, members of FAR, with Anders Bäckström (authorised public accountant and member of FAR) as auditor-in-charge. KPMG AB have audited the Issuer's accounts, without qualification, for each of the two financial years ended on 31 December 2017 and 31 December 2018. The Issuer's accounts for each of the two financial years ended 31 December 2017 and 31 December 2018 have, in each case, been prepared in accordance with IFRS.

9. Listing Agent

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the listing of the Notes on Euronext Dublin and is not itself seeking admission of the Notes to the Official List of Euronext Dublin or to trading on the Global Exchange Market.

10. Joint Lead Managers transacting with the Group

In the ordinary course of their business activities, a Joint Lead Manager and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. A Joint Lead Manager or its respective affiliates may have a lending relationship with the Issuer and routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, a lender and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. A Joint Lead Manager and its respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

REGISTERED OFFICE OF THE ISSUER

Hoist Finance AB (publ)
P.O. Box 7848
103 99 Stockholm
Sweden

JOINT LEAD MANAGERS

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Nordea Bank Abp
Satamaradankatu 5
FI-00020 Nordea
Helsinki
Finland

FISCAL AGENT AND PRINCIPAL PAYING AND TRANSFER AGENT AND AGENT BANK

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

PAYING AND TRANSFER AGENT

Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

REGISTRAR

Citigroup Global Markets Europe AG
Agency and Trust Department
Reuterweg 16
60323 Frankfurt
Germany

LEGAL ADVISERS

To the Issuer as to Swedish law

Mannheimer Swartling Advokatbyrå AB
PO Box 4291
SE-203 14 Malmö
Sweden

To the Joint Lead Managers as to English law

Allen and Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

IRISH LISTING AGENT

Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin 2
Ireland

AUDITORS

KPMG AB
Vasagatan 16
P.O. Box 382
SE 101 27
Sweden