

*This prospectus was approved by the Swedish Financial Supervisory Authority on 27 October 2020*

**PROSPECTUS  
FOR  
SVEA EKONOMI AB (PUBL)  
SEK 300,000,000  
TIER 2 SUBORDINATED FLOATING RATE NOTES**



**Prospectus dated 27 October 2020**

**Issuing agent:**

**Nordea Bank Abp, filial i Sverige**

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*The validity of this prospectus will expire 12 months after the approval, provided that it is completed by any supplement required pursuant to Article 23 of the prospectus regulation. The issuer's obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this prospectus is no longer valid.*

## Important Information

This prospectus (the "**Prospectus**") has been prepared by Svea Ekonomi AB (publ), Reg. No. 556489-2924 (the "**Company**", the "**Issuer**" or "**Svea Ekonomi**"), in relation to the application for listing of the SEK 300,000,000 tier 2 subordinated floating rate notes (the "**Notes**") on the Corporate Bond List on Nasdaq Stockholm Aktiebolag ("**Nasdaq Stockholm**"). Nordea Bank Abp (the "**Arranger**") have acted as financial advisor to the Company in connection with the issuance of the Notes.

The Prospectus has been prepared in accordance with the standards and requirements under the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**") and the rules and regulations connected thereto, as applicable. This Prospectus is governed by Swedish law and the courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection with this Prospectus. This Prospectus shall be read together with all documents which have been incorporated by reference (see "*Documents incorporated by reference*") and any supplements to this Prospectus.

This Prospectus will be available at the Swedish Financial Supervisory Authority's website (www.fi.se) and the Company's website (www.svea.com). Paper copies may be obtained from the Company.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by auditors. Certain financial and other information set forth in this Prospectus has been rounded off and, as a result, the numerical figures shown as totals in this Prospectus may vary slightly from the exact arithmetic aggregation of the figures that precede them.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Notes in any jurisdiction. It has been prepared solely for the purpose of listing the Notes on Nasdaq Stockholm. This Prospectus may not be distributed in any country where such distribution or disposal requires an additional prospectus, registration or additional measures or is contrary to the rules and regulations in such country. Persons into whose possession this Prospectus comes or persons who acquire the Notes are therefore required to inform themselves about, and to observe, such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933 ("**Securities Act**"), as amended, or under any U.S. state law, and may be subject to obligations under U.S. tax law requirements. The Notes may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, U.S. persons (as defined in rule 902 of Regulation S in the Securities Act). The Company has not undertaken to register the Notes under the Securities Act or under any U.S. state law and will not provide any exchange offer for the Notes in the future. The Company has also not registered the Notes under any other country's laws. It is the investor's obligation to ensure that offers and sales of the Notes are consistent with all applicable laws.

The Notes may not be an appropriate investment for all investors and it is up to each prospective investor to determine the appropriateness of the investment in the light of their own situation. Each investor should (i) have sufficient knowledge and experience to make an adequate evaluation of the Notes, the benefits and risks of investing in the Notes, and the information contained in this Prospectus or information referred to in this Prospectus or any appropriate supplement information herein; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, on the basis of their own financial situation, an investment in the Notes and the influence of other Notes on the overall investment portfolio; (iii) have sufficient financial resources and liquidity to manage all risks associated with investment in the Notes; (iv) completely understand the Terms and Conditions, and (v) have the ability to assess (either on their own or with the help of a financial advisor) various conceivable scenarios regarding financial conditions, interest rates, and other factors that may affect the investment and the ability to manage related risks.

Capitalized terms used in this Prospectus shall have the same meaning as in the Terms and Conditions for the Notes.

THIS PROSPECTUS HAS BEEN PRODUCED IN AN ENGLISH LANGUAGE VERSION ONLY.

## Forward-looking statements

This Prospectus may contain forward-looking statements and assumptions regarding future market conditions, operations and results. Such forward-looking statements and information are based on the beliefs of the Company's management or are assumptions based on information available to the Company or other members of the Group (as defined below). The words "consider", "intends", "deems", "expects", "anticipates", "plans" and similar expressions indicate some of these forward-looking statements. Other such statements may be identified from the context. Any forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may cause the actual results, performances or achievements of the Group to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Further, such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. Although the Company believes that the forecasts of or indications of future results, performances and achievements are based on reasonable assumptions and expectations, they involve uncertainties and are subject to certain risks, the occurrence of which could cause actual results to differ materially from those predicted in the forward-looking statements and from past results, performances or achievements. Further, actual events and financial outcomes may differ significantly from what is described in such statements as a result of the materialisation of risks and other factors affecting the Company's operations. Such factors of a significant nature are mentioned in the section "*Risk Factors*".

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## **Risk Factors**

*In this section, risk factors which are specific to the Issuer and its subsidiaries, from time to time (together, the “Group”) and/or the Notes, and which the Group deems to be material for making a decision to invest in the Notes, are presented. The Issuer’s assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus.*

*The risk factors are presented in categories where the most material risk factors in a category are presented first under that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Where a risk factor may be categorised in more than one category, such risk factor appears only once and in the most relevant category for such risk factor.*

### **Risks related to the Issuer’s business activities and industry**

#### *Risk relating to the current macroeconomic environment*

The Group’s business is subject to inherent risks arising from general and sector-specific economic conditions globally and on relevant markets. Currently, the Group operates in i.a. Sweden, Finland, Norway, Denmark, Estonia, the Netherlands, Switzerland, Austria, Germany and large parts of Eastern Europe. However, each of the markets in Sweden, Norway and Finland respectively, represents more than 10 per cent. of the Group’s business. More specifically, 64 per cent. of the Group’s operating income is generated on the Swedish market.

A deterioration in economic conditions globally and in the markets in which the Group operates, especially in Sweden, Norway and Finland, such as deterioration in respect of e.g. business and consumer confidence, unemployment, household disposable income, the state of the housing market, consumer travel patterns, foreign exchange markets, counter-party risk, inflation, the availability and cost of credit, the liquidity of global financial markets, market share prices, or market interest rates may reduce the level of demand for the products and services of the Group. The risks of deterioration in respect of household disposable income is specifically significant to the Group since, as per 31 December 2019, the Group’s lending to private individuals amounted to, in total, approximately 10,992.3 MSEK. Thus, lending to private individuals represents a great portion of the Group’s total lending to the public, which amounted to approximately 17,210.6 MSEK as per 31 December 2019. Deteriorations in economic conditions globally and in the markets may adversely affect the earnings the Group can achieve on its products and lead to reduced revenue and increased levels of impairment charges. The aforementioned factors may materially and adversely impact the Issuer’s operating results, financial condition and prospects.

The Group may also be affected by public health epidemics or outbreaks of diseases that negatively affect the relevant markets as well as the global economy such as the current coronavirus (COVID-19) outbreak. The current coronavirus outbreak has resulted in substantial movements in the financial markets in the form of volatile and falling stock markets. The Group could be affected by the coronavirus outbreak through its direct and indirect impact on, among others, its customers and other counterparties, as a result of, among others, public health measures, such as business closings and restrictions on travel and gatherings, which in turn may have an adverse effect on, among others, the customers’ ability to pay and the demand for new loans. The extent of the risk posed by COVID-19 in the future is unclear; if the impact of the virus is severe or prolonged, this may result in greater

market volatility but also in reduced liquidity, widening of credit spreads and lack of price transparency in credit markets.

The exact nature of the risks faced by the Issuer in relation to the macroeconomic environment is difficult to predict and guard against in view of the fact that many of the related risks to the business are totally, or in part, outside the control of the Issuer.

#### *Agreements with business partners*

In 2019, approximately 79 per cent. of the unsecured loans and mortgage loans granted by the Group to its private customers were directed to it from external third-party sources, primarily loan brokers or providers of interest rate comparison services. Thus, the Group is dependent on its loan brokers. Current agreements with the loan brokers may in most cases be terminated on short notice. Should such external parties, for any reason, cease to cooperate with the Group, it could substantially affect the inflow of new customers to the Issuer resulting in a material adverse effect on the Issuer's financial position and results of operations.

Further, the Issuer is dependent on certain agreements entered into with business partners within the framework of the Issuer's payment service Webpay. If the Issuer's business partners are unable to fulfil their obligations with respect to the Webpay payment service, the Issuer's business operations and results of operations may be adversely affected.

#### *Anticipated benefits of existing and potential future mergers, acquisitions, joint ventures or strategic alliances may not be realised*

The Issuer and the Group do, from time to time, acquire or divest businesses or interests in businesses, including non-controlling interests, or form joint ventures or create strategic alliances. For example, with effect from 21 October 2019, the Issuer acquired 70 per cent. of shares in Credex AB. Further, in April 2019, the Russian subsidiary Regional Services of Collection LLC was sold through an internal Group restructuring by Creditexpress Group BV to Svea Ekonomi Cyprus Limited. Moreover, in November 2019, all the shares were divested in Fastighets AB Harneskmakaren 10.

Whether the Issuer realises the anticipated benefits from each transaction depends, in part, upon the integration between the businesses involved, the performance and development of the underlying products, capabilities or technologies, the Issuer's correct assessment of assumed liabilities and the management of the operations in question. Accordingly, the Issuer's financial results could be adversely affected by unanticipated performance and liability issues, transaction-related charges, amortisation related to intangibles, warranties, charges for impairment of long-term assets and partner performance.

The Issuer is constantly evaluating add-on acquisitions. There is a risk that some acquisitions do not develop as planned or benefit the Issuer's operations as anticipated prior to the acquisition. Dilution of a company's brand, lack of understanding of the target company's business and many other factors in connection with corporate acquisitions may prevent post integration-plans from being properly executed. If any of the above risks were to materialize, it could have a material adverse effect on the Issuer's business, financial condition and results of operations.

#### *Investments*

A part of the Issuer and the Group's business is the acquisition of portfolios of non-performing loans. For example, in July and October 2019, individual investments were made in acquisitions of overdue

accounts receivable in Finland to a value of around 190 MSEK and 50 MSEK respectively. In October 2019, a loan portfolio was acquired in Finland of around 530 MSEK. There is a risk that the investments are not developing as planned, which especially applies to investments in portfolios of non-performing loans in eastern and central Europe due to currency effects, resulting in losses and a debilitated financial position.

In addition, limited access to information or incorrect assessment of available information may lead to that attractive assets are disposed of whereas less attractive assets may be acquired or not be disposed of. This risk is particularly prevalent as the Issuer continually investigates opportunities to make new acquisitions and thus exposes itself to investment related risk. If attractive assets were to be disposed of or less attractive assets were to be acquired the market value of the portfolios of the Issuer could decrease which could affect the Issuer's financial condition and results of operations.

#### *Credit and counterparty risk*

Credit risk is the failure of any customer or counterparty to honour its payment obligations to the Issuer. Credit risk is primarily attributable to lending/financing to customers, while a counterparty risk arises when the Issuer's performance is other than pure lending/financing. In financial management, credit risk consists primarily of the Issuer's counterparties being unable to meet their obligations towards the Issuer, for instance in connection with financial derivatives in the form of outstanding positive market value, which depends on market factors. During 2019 the Issuer's net credit losses amounted to approximately 381.4 MSEK whereas the operating profit amounted to approximately 545.2 MSEK. For 2019, the Issuer's level of credit loss amounted to 2.5 per cent. Due to, i.a. COVID-19, the Issuer's credit losses from the public are anticipated to increase during 2020, compared to 2019.

Further, adverse changes in the credit quality of the Issuer's customers or other counterparties could affect the recovery and value of the Issuer's assets and require an increase in provisions made for bad and doubtful debts and other provisions and could consequently adversely affect the Issuer's earnings and financial position.

#### *Competition in the financial services industry*

The Group conducts business operations in the Nordic region and in other parts of Europe, and is currently one of the biggest within financing, administration and debt collection. The Group's business concept is to provide the market with personal service and efficient custom solutions within the areas of Administrative and Financial Services (AFS) and Debt Collection.

As per 31 December 2019, the Group's lending to the public amounted to approximately 17,210.6 MSEK compared to approximately 14,839.7 MSEK as of 31 December 2018, thus representing a large increase in demand for consumer loans, which the Group perceives to have led to increased competition between lenders.

The Group has a number of competitors across different segments and markets. The Group's competitors can be broadly categorised into two groups: full-service banks and niche loan providers. As a niche loan provider which derives most of its revenue from personal loans the Group is more dependent on such loans compared to competitors that have a more diversified product offering, such as full-service banks. It is possible that the Group's competitors will grow to be stronger in the future, for example by means of consolidation in the market. Thus, there is a risk that the Group and the Issuer will not be able to compete successfully against current as well as future competitors, which may have a negative effect on the Issuer's operations and future earnings.

## **Risks related to the Issuer's financial condition**

### *Liquidity and funding risk*

Liquidity risk is the risk that the Issuer is unable to fulfil its commitments or is only able to fulfil its commitments by borrowing cash and cash equivalents at a significantly higher cost, due to insufficient cash and cash equivalents currently held. The Issuer's lending to the public is financed to a not insignificant extent through deposits from the public, but also through its own operations, other credit institutions, the issuance of commercial papers and subordinated debt.

As of 31 December 2019, deposits from the public amounted to approximately 19,997.1 MSEK, cash and bank balances plus approved but unutilised credit, amounted to 3,276.6 MSEK and liquidity including investments in government securities, listed bonds and other securities amounted to 5,580.6 MSEK for the Issuer.

The risks in the supply of liquidity consist primarily of the risk of the Issuer not attracting sufficient volume of deposits. The risk may arise in a situation where net withdrawals are larger than desired or when increased deposit volumes are desired in order to finance further lending and other payments. Increased net withdrawals may result from price competition or negative rumors, publicity or announcements (whether true or not) about the Issuer, other banks or credit institutions or the financial system in general. A failure by the Issuer to attract a sufficient volume of deposits, improve the liquidity situation through asset sales or borrowing funds at reasonable costs could have a material adverse effect on the Issuer's operations.

### *Interest rate risk*

Interest rate risk is the risk that the Issuer's current and future net interest deteriorates due to an unfavourable change in the market. The Issuer's interest expenses 2019 amounted to approximately 235.3 MSEK. Meanwhile, the Issuer's interest income for 2019 amounted to approximately 1,627.0 MSEK. The impact of a 1 percentage-point increase/decrease in interest on net interest income during the future 12-month period would amount to approximately +/- 10.0 MSEK for the Issuer, based on all interest-bearing assets and liabilities existing on 31 December 2019.

Interest rate risk arises when the interest rates cannot be changed simultaneously on the funding and lending sides. A deterioration of the Issuer's net interest due to an unfavourable and significant change in the Issuer's funding costs (which is not a result of a change in the market rates) could have a material adverse effect on the Issuer's financial position and results of operations.

### *Currency risk*

Currency risk is the risk that the Issuer will suffer losses due to adverse currency movements. Foreign exchange rate risk also involves the risk that the estimated fair value of, or future cash flows from, a financial instrument fluctuate because of changes in foreign exchange rates. The Issuer is exposed to foreign exchange rate risk mainly from Euro (EUR), U.S. dollar (USD), Norwegian Krone (NOK) and Danish Krone (DKK). The Issuer is to some extent exposed to Russian Ruble (RUB), which historically have exhibited a more volatile behavior than the aforementioned currencies.

Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. This means that the Issuer is exposed to exchange differences. For example, in 2019, a +/- 10 per cent. increase/decrease in SEK against the underlying currencies which the Company conducts business in (including e.g. NOK, EUR, DKK and USD)

would have affected its net position by TSEK 122,158. Adverse exchange rate movements could have a material adverse effect on the Issuer's financial position and results of operations.

#### *Risks relating to the Issuer being dependent on its subsidiaries*

The Issuer is the parent company in the Group and is to some extent dependent on its subsidiaries which are integrated in the Issuer's business. For 2019, the operating profit income amounted to 610.9 MSEK for the Group and 545.2 MSEK for the Issuer. During 2019, the Issuer received dividends from Group companies in an amount of 54.7 MSEK. Thus, the Issuer's operations and earnings are affected by the results and operations of its subsidiaries. Failure in performance by the Issuer's subsidiaries and/or limitations or restrictions on the transfer of funds between companies within the Group may negatively affect the Group's operations, financial position and earnings and in turn the performance of the Issuer under the Notes. Also, the Notes are structurally subordinated to its subsidiaries' creditors. As a consequence thereof and given that the Issuer is to some extent dependent on its subsidiaries' results and operations, in the event of the Issuer's liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*), each Noteholder's amount received will to some extent be affected by the subsidiaries' result and their rights, under existing financial arrangements, to transfer funds to the Issuer by way of e.g. dividends.

### **Internal control and governance risks**

#### *Operational risks*

Operational risk arises from human errors and system faults, insufficient or defective internal procedures or external events. As a bank, the Issuer is required to comply with rigorous regulations (please refer to the section "*Legal and regulatory risks*" below). Operational risk also includes risk pertaining to reputation and strategy as well as legal risk. Deficiencies or errors in internal processes and control routines, human errors, or external events that affect operations may occur. The Issuer and the Group, are highly dependent upon their employees' ability to observe the Group's internal guidelines, policy documents and processes, such as e.g. the KYC processes, to ensure compliance with applicable laws and regulations. Moreover, the Group is relying on its risk controllers, who are responsible for, among other things, ongoing controls to ensure that risk exposure is kept within established limits and that the line organization controls operations in the manner intended. The Issuer is further subject to the risk that its executives make decisions that are not consistent with the Group's strategies. Moreover, employees within the Group and other persons related to the Issuer, such as its partners, may perform acts that are considered unethical, are criminal (e.g. violation of applicable bribery and anti-corruption legislation) or otherwise contrary to applicable laws and regulations (e.g. non-compliance with applicable protection of personal data legislation) (please refer to the section "*Legal and regulatory risks*" below) or the Issuer's internal guidelines and policy documents. If the Issuer's internal controls and other measures to ensure compliance with laws, regulations, internal guidelines and policy documents prove to be insufficient, the Issuer's reputation may be harmed or the Issuer may be affected by public law sanctions, including penalties or fines.

#### *Dependency on key personnel*

The Group is dependent upon a number of key employees within its management whom have together developed the efficient day-to-day operations and systems within the Group. Should such key personnel leave the Group in the future or take up employment with a competing business, and not be adequately replaced with new qualified personnel, it could have a negative effect on the Issuer's operations, earnings and financial position.



The Issuer's future success depends in part on its ability to hire, assimilate and retain highly qualified personnel, particularly the senior management team and key individuals. Competition for highly qualified management remains intense in the industries and regions in which the Issuer operates. If the Issuer is unable to attract and retain members of its senior management team, key employees or other qualified personnel, this could negatively affect the Issuer's operations.

### *Ownership*

The Issuer is currently controlled by one shareholder, whose interests may conflict with the Noteholders', particularly if the Issuer encounters difficulties or is unable to pay its debts as they fall due. The owner has the power to control all matters to be decided by vote at a shareholders' meeting and has the ability to appoint the board of directors of the Issuer. Furthermore, the owner may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in its judgment, could enhance its equity investments, although such transactions might involve risks to the Noteholders. There is nothing in the Terms and Conditions that prevents the owner or any of its affiliates from acquiring businesses that directly compete with the Issuer.

### *Risks related to IT and IT infrastructure*

The Issuer depends on information technology to manage critical business processes, including the running of its internet bank, as well as administrative functions. The Issuer's business depends on its ability to process a large number of transactions efficiently and accurately. Extensive downtime of network servers, attacks by IT-viruses or other disruptions or failure of information technology systems are possible and could have a material adverse effect on the Issuer's operations such as loss of data and a failure to provide quality service to customers. Further, if any of the described events would occur, the interruption or failure of the Issuer's and the Group's information technology and other systems could impair the Issuer's ability to provide its services effectively causing direct financial loss. Technology failure or underperformance could also increase Issuer's litigation and regulatory exposure or require it to incur higher administrative costs (including remediation costs). Further, an irrecoverable loss of any customer database would be expensive and time-consuming to endeavor to retrieve or recreate.

Furthermore, any intrusion into Issuer's and/or the Group's IT systems, for example, from increasingly sophisticated attacks by cybercrime groups, could disrupt its business, result in the disclosure of confidential information and/or create significant financial and/or legal exposure and the risk for damage to Group's reputation and/or brand. The degree to which IT failures and the materialisation of any IT risk may affect Issuer is uncertain and presents a significant risk to Issuer's operations and financial situation.

## **Legal and regulatory risks**

### *Regulatory risks*

The Issuer's operations are subject to legislation, regulations, codes of conduct and government policies in the jurisdictions in which it conducts business and in relation to the products it markets and sells. Regulatory authorities have broad jurisdiction over many aspects of the Issuer's business, marketing and selling practices, advertising and terms of business. Thus, financial services laws, marketing laws (including restrictions on the marketing of consumer loans and co-operations with external parties, e.g. loan brokers), laws on enforcement and seizure (including changes to legislation on wage garnish or other measures to recover defaulted loans), regulations, codes of conduct,

government policies and/or their respective interpretations currently affecting the Issuer may change and it cannot predict future initiatives or changes.

The Issuer's business is also heavily regulated and supervised by the Swedish FSA (Sw. *Finansinspektionen*). Although the Issuer has a risk and compliance function in place, there is a risk that the Issuer will not be in compliance with all relevant regulation at all times. Should the Swedish FSA consider that the operations of the Issuer are not sound or that the Issuer is otherwise in breach of laws or regulations that apply to it, the Swedish FSA may impose administrative sanctions on the Issuer, such as disciplinary reprimands, warnings, fines and order to take remedial action. The Swedish FSA may also revoke the Issuer's license to engage in financing business. For example, a revocation of the Issuer's license as a credit institution would require the Issuer to enter into liquidation if no exemption is granted; such scenario would materially affect the Issuer's ability to repay the Notes. In addition, the Group is to some extent dependent on deposits from private persons which rely on the state-provided guarantee of deposits, also known as the deposit insurance (Sw. *insättningsgaranti*). If the regulation relating to deposits insurance were to change with the effect that the customers of the Group would not be covered by the deposit insurance, it could have a material negative effect on the Issuers operating results, prospects and thus also the Issuer's ability to repay the Notes.

Furthermore, there is a risk that the Issuer's financial performance will be adversely affected should unforeseen events relating to regulatory risk arise in the future, which may materially and adversely affect, amongst other things, the Issuer's product range and activities, the sales and pricing of its products, the Issuer's profitability, solvency and capital requirements and may give rise to increased costs of compliance.

#### *Risks related to money-laundering*

Counteracting money laundering and terrorist financing is a highly prioritised area within the EU and the regulatory framework is continuously updated to prevent the financial system from being used for money laundering and terrorist financing. Although the Issuer works proactively to prevent itself from being utilized for money laundering purposes, there is a risk that the Issuer and/or the Group fails to protect its business against money laundering. If the Issuer or a company within the Group is in breach of money laundering legislation, the Swedish FSA or its equivalent in another jurisdiction may impose administrative sanctions on the Issuer, including fines and revocation of credit market license, which could have a material adverse effect on the Issuer's business and reputation. The degree to which non-compliance with anti-money laundering may affect the Issuer is uncertain and presents a significant risk to the Issuer's reputation and results of operations.

#### *Regulatory capital requirements*

Since the beginning of the global financial crisis in 2008 and the increased loan losses and asset quality impairment suffered by financial institutions as a result thereof, governments in some European countries (including Sweden) have increased, or have announced that they are likely to increase, the minimum capital requirements for credit institutions domiciled in these countries over and above the increased capital requirements of Basel III and the CRD IV discussed below.

On 16 December 2010, the Basel Committee on Banking Supervision (the "**Basel Committee**") published its final guidelines for new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions and on 13 January 2011, it published the minimum requirements for regulatory capital to ensure loss absorbency at the point of non-viability (the "**Basel III Framework**"). The aim of the framework is to improve the ability

of credit institutions to absorb shocks arising from financial and economic stress, improve risk management and governance and strengthen credit institutions' transparency and disclosures. The framework raises both the quality and quantity of the capital base and increases capital requirements for certain positions. The framework also introduces buffer requirements in the form of both a capital conservation buffer, a countercyclical capital buffer and additional capital buffers for systemic importance, which may be on a global, European or domestic basis. The regulatory framework will continue to evolve including via e.g. a package of amendments to the Basel III Framework proposed by the Basel Committee on 7 December 2017 which will be subject to consideration within the EU, and any resulting changes could have a material impact on the Issuer's business.

Following the Basel III Framework, the European Commission published on 20 July 2011 the corresponding proposed changes at the EU level in the form of (i) a directly applicable European Parliament and Council Regulation establishing the prudential requirements for credit institutions and investment firms (known as the Capital Requirements Regulation or "**CRR**" (Regulation (EU) No 575/2013)) and (ii) a European Council Directive (through an amendment of Directive 2002/87/EC) governing access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (known as "**CRD IV**" (Directive 2013/36/EU on access to the activity of credit institutions and investment firms)). The CRR has been directly effective in Sweden since 1 January 2014, while CRD IV was implemented in Sweden on 2 August 2014 by amendments to existing Swedish legislation, new Swedish legislation and regulations of the Swedish FSA. CRR and CRD IV are both to be supported by a set of binding technical standards being developed by the European Banking Authority (the "**EBA**"). The EU regulatory framework is broadly in line with the Basel III Framework capital and liquidity standards, and implementation of all relevant rules are being phased in gradually.

The European Commission has furthermore, on 16 April 2019, decided upon several changes to the CRR (the "**CRR II**") and the CRD IV (the "**CRD V**"). The provisions include, *inter alia*, new requirements concerning leverage ratios, counterparty credit risk, large exposures and market risk which may affect the Issuer. Non-compliance with CRR II and CRD V can result in significant sanctions which may have a negative impact on the financial stability of the Issuer.

Due to the spread of COVID-19 and the impact on the economy, the Swedish FSA's has lowered the countercyclical buffer rate as of 16 March 2020. The Swedish FSA has stated that subsequent increases will not be expected to go into effect earlier than March 2022. As stated above (please refer to the risk factor "*Risk relating to the current macroeconomic environment*"), the Group may be adversely affected by the coronavirus outbreak and it is difficult to predict the impact the outbreak will have on the Group's business and its financial stability. When the countercyclical buffer rate is increased there is thus a risk that the Issuer and/or its consolidated situation will not be able to comply with the requirements. Further, the conditions of the Issuer's business as well as external conditions are constantly changing. For the foregoing reasons, the Issuer and/or its consolidated situation may be required to raise additional regulatory capital and such changes could result in the Issuer's and/or its consolidated situation's existing regulatory capital ceasing to count either at the same level as present or at all. Any failure by the Issuer and/or its consolidated situation to maintain any increased regulatory capital requirements or to comply with any other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions, which may have a material adverse effect on the Issuer's profitability and results and may also have other effects on the Issuer's financial performance and on the pricing of the Notes, both with or without the intervention by regulators or the imposition of sanctions. Any market perception or concern regarding compliance with future capital adequacy requirements, could increase the Issuer's and the Group's borrowing costs and limit its access to capital markets, which could have a material adverse effect on results of operations, financial condition and liquidity.

### *The Bank Recovery and Resolution Directive*

The EU Directive 2014/59/EU, known as the Bank Recovery and Resolution Directive (“**BRRD**”) supplements the CRR and CRD IV legislative package. The BRRD was implemented in Sweden mainly by way of the new Swedish Resolution Act (Sw. *lag (2015:1016) om resolution*) which entered into force on 1 February 2016. The purpose of the BRRD is to harmonise national rules on bank recovery and resolution, providing authorities, including the Swedish FSA, with common tools and powers to address banking crises proactively in order to safeguard financial stability and minimise taxpayers’ exposure to losses. The BRRD was amended by Directive (EU) 2019/879 on 27 June 2019. The changes shall be reflected in Swedish legislation no later than 28 December 2020 and the overarching objective of the new provisions is to further reduce risk in the EU banking sector.

National resolution authorities (the National Debt Office (Sw. *Riksgälden*) for Sweden), in consultation with competent authorities, 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 resolution tools and powers, as well as options for ensuring the continuity of critical functions. The resolution tools and powers referred to above which may be used, alone or in combination, 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 publically 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 financial institution in resolution and/or to convert certain unsecured debt claims (which could also include the Notes) into another security, including common equity tier 1 instruments of the surviving entity, which equity could also be subject to any further application of the general bail-in tool. The Member State may also as a last resort provide extraordinary public financial support through public equity support and temporary public ownership tools. Moreover, 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 and write down*” below for further information).

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors. Holders of debt instruments (such as the Notes) may be subject to write-down or conversion into equity on any application of the general bail-in tool and non-viability loss absorption, which may result in such holders losing some or all of their investment. However, as the Issuer has not been deemed to constitute a systemically important institution by the National Debt Office at the time of issuing the Notes, the Issuer would currently not, as a main rule, be subject to resolution, and subsequently not of the resolution tools and powers, in the event of financial difficulties of the Issuer.

### *Changes in legislation and accounting principles*

A number of legislations and regulations, taxes and rules, including applicable accounting principles, can affect the business conducted by the Group. The Issuer conducts its business in accordance with its interpretation of applicable regulations and applicable requirements and decisions. There is a risk

that the Issuer's or its advisers' interpretation and application of laws, provisions and judicial practice has been, or will at some point be, incorrect or that such laws, provisions and practice will be changed, potentially with retroactive effect.

For example, in July 2014, the International Accounting Standards Board issued a new accounting standard, International Financial Reporting Standard 9 (Financial Instruments) (“**IFRS**”) 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 therefore fully implemented by the Issuer, as of 1 January 2018. In connection with the transition to IFRS 9 on 1 January 2018, the simplified method was used to calculate the need for any impairment of assets with a short maturity such as invoice purchases and factoring. The effect of implementation of IFRS 9 on the Group 2019 was a decrease in profit before tax of 18.9 MSEK. Accordingly, new IFRS and other financial accounting and reporting standards may have a significant impact on the Group’s results and financial position.

Furthermore, on 31 August 2019, the Swedish government announced that it would suggest the implementation of a new tax directed on the financial sector in line with the previous suggestions, effective as from 2022. In 2019, the Issuer’s reported tax on profit amounted to 187.1 MSEK and its effective tax rate was 19.6 per cent. The issuer’s tax situation for previous, current and future years may change as a result of legislative changes such as the one mentioned, decisions made by the tax authorities or as a result of changed tax treaties, regulations, case law or requirements of the tax authorities. Further, future interpretations or developments of tax regimes may affect the Issuer’s tax liability, return on investments and business operations.

Moreover, in the Swedish FSA’s report “Consumer Protection on the Financial Market” published in February 2020, the FSA expressed a need for the Swedish Government to consider legislative changes in relation to consumer credits. Further, the FSA is expected to inspect businesses offering certain consumer credits. There is a risk that the Issuer and/or other companies within the Group will be subject to inquiries from the FSA and /or that the FSA’s enhanced focus on this area will render in legislative changes which in turn, may have a negative effect on the Issuer’s and the Group’s operations.

In addition to the above mentioned risks, new or amended legislations and regulations could call for unexpected costs or impose restrictions on the development of the business operations or otherwise affect earnings and the Issuer’s financial position.

## **Risks relating to the Notes**

### **Risks relating to the value of the Notes and the market**

#### *Credit risks*

If the Issuer’s financial position deteriorates it is likely that the credit risk associated with the Notes will increase as there would be an increased risk that the Issuer cannot fulfil its obligations under the Terms and Conditions. The Issuer’s financial position is affected by numerous risk factors, some of which have been outlined above. An increased credit risk could result in the market pricing the Notes with a higher risk premium, which could adversely affect the value of the Notes. Another aspect of the credit risk is that a deteriorated financial position could result in a lower credit worthiness, which could affect the Issuer’s ability to refinance the Notes on favorable terms or at all, which in turn could adversely affect the Issuer’s result and financial position.

### *Risk related to listing of the Notes and the secondary market*

Pursuant to the Terms and Conditions, the Issuer shall apply for admission to trading of the Notes on a Regulated Market but there is a risk that the Notes are not approved for admission to trading. A failure to obtain such admission may have a negative impact on the market value of the Notes. Even if such admission will occur, there is a risk that an active market for the Notes will not evolve, or even if such would evolve that it will not last.

The nominal amount of the Notes, which is 1.25 MSEK, may not be indicative of their market value after being admitted for trading on a Regulated Market. In addition, following admission to trading of the Notes, the liquidity and trading price of the Notes may vary substantially as a result of numerous factors, including general market movements and irrespective of the Issuer's performance. Therefore, Noteholders may not be able to sell their Notes easily (or at all) or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Further, the market price of the Notes could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Notes without regards to the Issuer's operating results, financial condition or prospects.

### **Risks relating to the nature of the Notes and specific terms**

#### *The Issuer's obligations under the Notes are subordinated*

The rights of the Noteholders will, in the event of the liquidation or bankruptcy of the Issuer, be subordinated in right of payment to the claims of depositors, other unsubordinated creditors and holders of senior non-preferred instruments of the Issuer, but shall rank at least *pari passu* with all other subordinated indebtedness of the Issuer. The Notes will rank senior with respect to any capital instruments of the Issuer issued as Additional Tier 1 Capital. The Issuer may also issue other debt obligations or capital instruments that rank or are expressed to rank senior to the Notes, in each case as regards the right to receive periodic payments on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer.

In the event of a liquidation or bankruptcy of the Issuer, the Issuer will be required to pay its depositors and its unsubordinated creditors in full before it can make any payments on the Notes. If this occurs, the Issuer may not have enough assets remaining after these payments are made to pay amounts due under the Notes.

In addition, an investment in the Issuer's regulatory capital instruments, such as the Notes, runs the risk that the Issuer's debt under those instruments are written down, rescheduled or further subordinated (for instance, by the swapping of debt to equity).

#### *Loss absorption and write down*

The Noteholders are subject to the risk that the Notes may be required to absorb losses. The Notes are being issued for regulatory capital adequacy purposes with the intention and purpose of being eligible as Tier 2 Capital of the Issuer. Such eligibility depends upon a number of conditions being

satisfied, which are reflected in the Terms and Conditions and which, in particular, require the Notes and the proceeds of their issue to be available to absorb any losses of the Issuer. The powers provided to competent and resolution authorities in the BRRD include write-down/conversion powers to ensure that relevant capital instruments (including the Notes) fully absorb losses at the point of non-viability of the issuing institution in order to allow it to continue as a going concern subject to appropriate restructuring.

#### *Risks related to the Notes' floating rate structure*

The value of the Notes depends on several factors, one of the most significant in the long term being the market interest rates. The Notes bear a floating rate interest at the rate of 3-month STIBOR plus a margin of 6.15 per cent. Hence, the interest rate is to a certain extent adjusted for changes in the general interest rate levels. There is a risk that an increase in the general interest rate levels will adversely affect the value of the Notes. The general interest rate level is to a high degree affected by the state of the international economy and is outside the Issuer's control.

Further, the process for determining STIBOR is subject to EU-regulations (see further the risk factor "The Benchmark Regulation"). The effect of such regulations cannot be fully assessed. Although the effects are currently uncertain, the Issuer considers that there is a significant risk that such regulations may affect the determination and development of STIBOR which, in turn, could lead to an increased volatility in relation to STIBOR and, thus, in relation to the interest rate of the Notes.

#### *No limitation on issuing debt which rank senior or pari passu to the Notes*

There is no restriction on the amount of debt which the Issuer may incur or issue which ranks senior to the Notes or on the amount of securities which the Issuer may issue which ranks *pari passu* with the Notes. Such issuance may reduce the amount recoverable by the Noteholders upon the bankruptcy or any liquidation of the Issuer.

#### *The Issuer may redeem the Notes on the occurrence of a Capital Disqualification Event or Tax Event (as defined in the Terms and Conditions)*

The Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the Swedish FSA, redeem all (but not some only) of the Notes upon the occurrence of a Capital Disqualification Event or Tax Event together with accrued but unpaid interest on any Interest Payment Date.

There is a risk that the Noteholders will not be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investments in the Notes.

#### *Limited acceleration events in relation to the Notes*

The Noteholders may only accelerate the Notes if the Issuer is placed into bankruptcy (Sw. *försatts i konkurs*) or is the subject of liquidation proceedings (Sw. *trätt i likvidation*). The Noteholders have no other acceleration rights with respect to the notes. No payments will be made to the Noteholders before all amounts due, but unpaid, to all other creditors of the Issuer ranking ahead of the Noteholders have been paid by the Issuer, as ascertained by the administrator in bankruptcy (Sw. *konkursförvaltare*) or the judicial liquidator (Sw. *likvidator*), as applicable. In the event of a liquidation or bankruptcy, no Noteholder will be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of the Notes.

*Redemption or repurchase of the Notes are subject to the prior consent of the Swedish FSA*

Subject to applicable law and giving notice in accordance with the Terms and Conditions, the Issuer has the option to redeem the Notes five years after they have been issued on the First Call Date or on any Interest Payment Date falling after the First Call Date. If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the Swedish FSA before the option is exercised.

The Noteholders have no rights to call for the redemption of the Notes and should not invest in the Notes with the expectation that such a call will be exercised by the Issuer. The Swedish FSA must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is a risk that the Swedish FSA will not permit such a call or that the Issuer will not exercise such a call. The Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes for a period of time in excess of the minimum period.

#### *Noteholders' rights*

In accordance with the Terms and Conditions, the Agent will represent all Noteholders in all matters relating to the Notes and the Noteholders are prevented from taking actions on their own against the Issuer. Consequently, individual Noteholders do not have the right to take legal actions by claiming any payment from the Issuer and may therefore lack effective remedies unless and until a requisite majority of the Noteholders agree to take such action. However, the Issuer cannot ensure that all Noteholders will comply with the Terms and Conditions and thus, there is a possibility that a Noteholder, in certain situations, could bring its own action against the Issuer (in breach of the Terms and Conditions), which could negatively impact an acceleration of the Notes or other action against such party. Further, there is a risk that a Swedish court would not consider the Agent to have right of action in relation to the Notes and thus, the Agent may need to obtain original power of attorneys for each Noteholder before the Agent may appear for the Noteholders and take any legal action in respect of the Notes. The Agent would, in that case, solely act as a legal counsel to the Noteholders. If any Noteholder fails to submit such power of attorney in time, it could negatively affect the legal proceedings since the Agent would not be able to represent all Noteholders and further, not all Noteholders would be entitled under, or have the right to enforce, the court's judgment.

Further, under the Terms and Conditions, the Agent will in some cases have the right to make decisions and take measures that bind all Noteholders. Consequently, the actions of the Agent in such matters could impact a Noteholder's rights under the Terms and Conditions – for example by amending the Terms and Conditions – in a manner that would be undesirable for some of the Noteholders.

#### *The Benchmarks Regulation*

The process for determining STIBOR and other interest rate benchmarks (“**Benchmarks**”) is subject to a number of regulatory reforms, some of which have already been implemented and some of which are currently in progress. The most comprehensive initiative on this area is the Benchmarks Regulation (Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds) (the “**BMR**”) which came into force on 1 January 2018 and regulates the provision of Benchmarks, the contribution of input data to Benchmarks and the use of Benchmarks within the EU. As the BMR has only been applied for a limited period of time, the effects of the regulation cannot be fully assessed. There is, however,



a risk that the BMR may affect the determination and development of certain Benchmarks. This could in turn, for example, lead to an increased volatility in relation to certain Benchmarks. Furthermore, increased administrative requirements and the regulatory risks associated therewith could lead to participants no longer wanting to participate in the determination of Benchmarks, or that certain Benchmarks are discontinued. If this were to occur in relation to a Benchmark applicable to any Notes, it could have a negative impact on the Noteholders.

## **Statement of Responsibility**

The Company issued the Notes on 10 September 2020 in accordance with the decision from The Board of Directors on 26 August 2020.

This Prospectus has been prepared in connection with the Issuer's application to list the Notes on Nasdaq Stockholm, in accordance with the Prospectus Regulation.

This Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) as competent authority under the Prospectus Regulation. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus. Further, such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Prospectus and investors should make their own assessment as to the suitability of investing in the securities.

The Issuer is the source of all company specific data contained in this Prospectus and neither the Arranger nor any of its representatives have conducted any efforts to confirm or verify the information supplied by the Issuer.

There is no information in this Prospectus that has been provided by a third party. The Board of Directors confirms that, to the best of their knowledge, the information contained in this Prospectus, including the registration document and the securities note, is in accordance with the facts and that this Prospectus makes no omission likely to affect its import.

Stockholm, 27 October 2020

**Svea Ekonomi AB (publ)**

*The Board of Directors*

## The Notes in Brief

*This section contains a general description of the Notes. It does not claim to be comprehensive or cover all details of the Notes. Potential investors should therefore carefully consider the Prospectus as a whole, including documents incorporated by reference, before a decision is made to invest in the Notes. The Terms and Conditions for the Notes can be found in the section “Terms and Conditions”. Terms defined in the Terms and Conditions are used with the same meaning in this overview unless it is otherwise explicitly understood from the context.*

<b>Issuer:</b>	Svea Ekonomi AB (publ), a public limited liability company with company registration number 556489-2924.
<b>Issuing Agent:</b>	Nordea Bank Abp, filial i Sverige.
<b>The Notes:</b>	<p>On 10 September 2020 SEK 300,000,000 Notes were issued, within a maximum of SEK 300,000,000.</p> <p>ISIN: SE0014781340</p> <p>The Notes are denominated in accordance with the laws of Sweden.</p>
<b>Number of Notes:</b>	240
<b>Issue Price:</b>	SEK 1,250,000
<b>Use of funds:</b>	The funds from the issue of the Notes shall be used for the Issuer’s general business purposes.
<b>Type of securities:</b>	Tier 2 subordinated floating rate notes
<b>Status of the Notes:</b>	The Notes constitute subordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference among themselves. The rights of the Noteholders shall, in the event of the liquidation (Sw. <i>likvidation</i> ) or bankruptcy (Sw. <i>konkurs</i> ) of the Issuer, be subordinated in right of payment to the claims of depositors, other unsubordinated creditors of the Issuer and any subordinated creditors of the Issuer whose rights are expressed to rank in priority to the holders of the Notes by statute and/or law, but shall rank at least <i>pari passu</i> with all other subordinated indebtedness of the Issuer. For the avoidance of doubt, the Noteholders will, in the event of the liquidation or bankruptcy, rank in priority to any liabilities or capital instruments of the Issuer which constitute tier 1 capital and any holders of any class of share capital of the Issuer.

<b>Listing:</b>	The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within 150 days from the Issue Date, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.
<b>Central Securities Depository (the “CSD”):</b>	<p>The Notes will be connected with the account-based system of Euroclear Sweden AB (“<b>Euroclear Sweden</b>”), for the purpose of having the payment of interest and principal managed by Euroclear Sweden. The Notes have been registered for the Noteholders on their respective securities accounts and no physical notes have or will be issued.</p> <p>The Issuer’s central securities depository and registrar in respect of the Notes is initially Euroclear.</p>
<b>Issue Date:</b>	10 September 2020
<b>Agent:</b>	<p>Intertrust (Sweden) AB, Reg No. 556625-5476 will act as Agent for the Noteholders, and if relevant, any other matter within its authority or duty in accordance with the Terms and Conditions. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf, on the terms, including rights and obligations of the Agent, set out in the Terms and Conditions.</p> <p>The Agent shall perform certain tasks in connection with the Notes, such as call for a meeting among the Noteholders to decide upon any issue or matter in relation to the Notes. The Terms and Conditions are available at the Issuer’s website <a href="http://www.svea.com">www.svea.com</a> and the Agent’s website <a href="http://www.intertrustgroup.com">www.intertrustgroup.com</a></p>
<b>Restrictions on free transferability:</b>	The Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. The Noteholders must observe all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Notes. Subject thereto the Notes will be freely transferable.
<b>Interest on the Notes:</b>	<p>The Notes carry interest at a floating interest rate, amounting to three (3) months STIBOR (as defined in the Terms and Conditions) plus a margin of 6.15 per cent <i>per annum</i>, from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.</p> <p>Interest shall be calculated on an actual/360-days basis.</p>
<b>Interest Payment Date:</b>	Interest on the Notes shall be paid on the Interest Payment Dates, being 10 September, 10 December, 10 March and 10 June of each year or, to the extent such day is not a Business Day (as defined in

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the Terms and Conditions), the Business Day following from an application of the Business Day Convention (as defined in the Terms and Conditions). The first Interest Payment Date for the Notes shall be 10 December 2020 and the last Interest Payment Date shall be the relevant Redemption Date.

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**Redemption (call option):** Subject to prior consent from the SFSA, applicable law and giving notice in accordance with Clause 8.4 of the Terms and Conditions, the Issuer may redeem all (but not some only) outstanding Notes;

(a) on the First Call Date (10 September 2025) or any Interest Payment Date falling after the First Call Date; or

(b) if a Capital Disqualification Event or Tax Event occurs prior to the First Call Date (each term as defined in the Terms and Conditions).

The Notes shall be redeemed at a price per Note equal to the Nominal Amount, together with accrued but unpaid Interest.

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**Redemption Date:** The date on which the Notes are to be redeemed in accordance with the Terms and Conditions. The final maturity date is 10 September 2030.

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the final maturity date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the final maturity date is not a Business Day, then the redemption shall occur on the first following Business Day.

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**Prescription:** The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date.

The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment.

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**Acceleration:** A Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable if the Issuer is placed into bankruptcy (Sw. *försatt i konkurs*) or is the subject of liquidation proceedings (Sw. *trätt i likvidation*) (please refer to clause 14.1 of the Terms and Conditions).

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**Applicable law:** The Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

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**Benchmark Regulation:**

The interest payable under the Notes is calculated by reference to the benchmark STIBOR (as defined in the Terms and Conditions). STIBOR is a reference rate that shows an average of the interest rates at which a number of banks active on the Swedish money market are willing to lend to one another without collateral at different maturities.

As at the date of this Prospectus, the Swedish Financial Benchmark Facility AB (“**SFBF**”) which provides STIBOR, assumes overall responsibility of and is the principal for STIBOR, does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmark Regulation apply, such that the SFBF is not currently required to obtain authorisation or registration.

## **Information about Svea Ekonomi and its business**

### **Introduction**

The business of Svea Ekonomi started in 1981 and is conducted through the current company, Svea Ekonomi AB (publ) was incorporated on 8 March 1994 in Sweden. The Company is a public limited liability company and is regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Annual Accounts Act (Sw. *årsredovisningslagen (2005:551)*). The Company is registered with the Swedish Company Registration Office (Sw. *Bolagsverket*), with registration number 556489-2924. The registered office of the Company is in Stockholm, Sweden and its registered address is Evenemangsgatan 31, SE-169 81 Solna, Sweden.

The legal and commercial name of the Issuer is Svea Ekonomi AB (publ). The Issuer's Legal Entity Identifier (LEI) code is: 549300DODNAS3ZHEXY24.

The Issuer's website is [www.svea.com](http://www.svea.com). Please note that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.

### **Share capital, shares and major shareholders**

According to the articles of association, the Company's share capital shall not be less than SEK 8,000,000 and not exceed SEK 32,000,000, divided into at least 800,000 and a maximum of 3,200,000 shares. At the date of the Prospectus, the Company's share capital amounts SEK 9,207,566 divided into 1,634,000 shares. The Company's shares are denominated in SEK. According to the articles of association, the Company can only issue one class of shares.

The Board member and the Chief Executive Officer Lennart Ågren owns 100 per cent of the shares in the Company and represents 100 per cent of the capital and the votes in the Company. The Company's shareholder exercises his influence through active participation in the decisions made at the shareholder's meeting. In order to ensure that control over the Company is not abused, the Company follows the provisions of the Swedish Companies Act and acts in line with the rules of procedure for the Board and the instructions for the CEO adopted by the Company. Audit and remuneration issues are managed by the Company's Board of Directors by one of its appointed board members. Furthermore, the Company has appointed a special committee on compliance issues.

As far as the Company is aware, there are currently no agreements or equivalent that may later lead to changes in the control of the Company.

### **Operations**

The Company conducts financing activities under a permit from the Swedish FSA and in accordance with the provisions of the Banking and Financing Business Act (Sw. *lag om bank- och finansieringsrörelse (2004:297)*). The Group also provides administrative services. In accordance with the current articles of association of the Company, adopted on 28 October 2015, the Issuer shall i.a. offer invoice services, business financing, factoring, invoice purchasing, deposits, unsecured loans, VAT recovery, credit reports and hold and manage financial instruments.

The Group's business concept is to provide the market with personal service and efficient customized solutions within the areas of administrative and financial services and debt recovery. The Group offers invoice services, business financing, factoring, invoice purchasing, debt recovery, deposits, unsecured loans, VAT recovery, billing, legal services, credit reports, training and payment transfers.

The Group conducts business operations in the Nordic region and other parts of Europe and is currently represented in approximately 20 different countries and collaborates with partners around the world.

The Company's services are targeted towards companies ("B2B") as well as consumers ("B2C"). The B2B services are targeted towards business of all sizes acting on within any business segment. B2B services are divided into several lines of business, the four largest being payment solutions, factoring, debt recovery and financing. Currently, the Company is making investments to meet the demand for smart payment solutions within e-commerce, mobile platforms and stores. The B2C services mainly consists of services relating to deposits and lending from and to the public, e.g. consumer credits, real property mortgage loans and savings accounts.

As of 30 June 2020, the Group's financial services are offered by the consolidated situation, which comprises Svea Ekonomi AB including its branches Svea Finans NUF in Norway and Svea Ekonomi AB filial in Finland and the operating group companies Svea Finance AS, Svea Finans A/S, Svea Finans Nederland BV, Svea Credit BV, Svea Finans AG, Payson AB, Kapitalkredit Sverige AB, Svea Payments OY, Svea Bank AB, MoneyGo AB and Svea Ekonomi Cyprus Limited with its subsidiaries. Further, the Group company Svea Intressenter 3 AB is included. Administrative services are offered by the operating Group companies Svea Billing Services AB, Svea VAT Adviser AB, Svea Development OY, Kodea Systems AB and RegTech OY. Also via the associated company Stidner Complete AB. Debt collection operations are conducted by the sub-group Svea Inkasso AB together with its operating subsidiaries Svea Finans AS, Svea Inkasso A/S and Svea Perintä Oy with its subsidiary Svea Inkasso OÜ. In addition, debt collection operations are carried out in Eastern Europe by the sub-group Creditexpress NV.

The main part of the unsecured loans and mortgage loans granted by the Group to its private customers are directed to it from external third-party sources, primarily loan brokers or providers of interest rate comparison services

The Group's lending to the public is financed through deposits from the public, the Group's own operations, other credit institutions, bond issues and subordinated debts. As of 31 December 2019, deposits from the public amounted to SEK 20,617.5 million for the Group, and SEK 19,997.1 million for the Company.

The Group's lending to credit institutions primarily consists of bank balances with established banks and credit institutions and the Group's lending to private individuals primarily consists of unsecured loans.

During the financial year 2019, the Group's operating income amounted to approximately SEK 3,162.3 million and to approximately SEK 2,448 million for the Company. During the same period, the Group's operating result amounted to approximately SEK 610,9 million and to approximately SEK 545.2 million for the Company. As per 31 December 2019, the number of employees amounted to 2,036 in the Group.

## **Risk management organization and corporate governance**

### *Risk management organization*

Risk exposure is an integrated part of finance activities which means that the Group is exposed to credit, liquidity, business and operational risks. The operations therefore require an efficient



governance and control environment with a clear organisation and assignment of responsibility, as well as efficient processes for each risk area.

The Company uses a control model in which responsibility for risk management is divided between the Board of Directors and three lines of defense: the line organization (first line of defense); risk control and compliance (second line of defense) and internal auditing (third line of defense).

The Board of Directors bears ultimate responsibility for limiting and following up on the Company's and for the Group's risks and also establishing the Group's capital adequacy target. The Board of Directors monitors risk trends on a continuous basis and sets and supervises risk appetite limits, which may not be exceeded.

The risk controller as well as compliance are independent functions within the Group and are responsible for, among other things, ongoing controls to ensure that risk exposure is kept within established limits and that the line organization controls operations in the manner intended. This also involves ensuring that changes in legislation and regulations are implemented and complied with in the organization.

In the third line of defense, the internal audit examines and evaluates risk control and governance processes in the Group, reporting directly to the Board of Directors of the Company. The function audits day-to-day operations in the line organization and the work performed by the second line of defense, and also acts as an advisor to business operations.

The Company has a comprehensive framework in order to ensure efficient governance and internal control of the business. The Board of Directors determines and has the ultimate responsibility for the framework, which is based on a clear division of responsibilities and authorities for the Company's functions and units. This framework of governance and control includes internal independent control functions in two different stages or levels, where the functions of risk control and compliance are the level next to the business units and other support functions. The level next thereto is the function for internal audit, which has the responsibility to evaluate and control the Company's business and support units as well as the two functions of control. The responsibility of these two levels of independent functions of control and audit and their respective way of reporting directly to the Board of Directors constitute the basis for ensuring that the control of the Company is not abused.

### *Corporate governance*

As described above, the company's shareholders exercise their influence through active participation in the decisions made at the shareholder's meeting. In order to ensure that control over the Company is not abused, the Company follows the provisions of the Swedish Companies Act (2005: 551) and acts in line with the rules of procedure for the Board and the instructions for the CEO adopted by the Company. Audit and remuneration issues are managed by the Company's Board of Directors by one of its appointed board members. Furthermore, the Company has appointed a special committee on compliance issues.

### **Group structure**

The Group consists of the parent company, Svea Ekonomi, and approximately 60 of Svea Ekonomi directly or indirectly owned Swedish and foreign subsidiaries and/or associated companies. Svea Ekonomi conducts business through branches in Norway and Finland. All the companies in the Group are non-listed. The subsidiaries Svea Bank AB and Payson AB have requirements to maintain a certain capital base.

The parent company accounts for a significant part of the Group's revenues. The subsidiary Svea Inkasso AB and its subsidiaries are also contributing to a large part of the Group's revenue. The Company is to some extent financially dependent on its subsidiaries, including Svea Inkasso AB, since the Company's operations and earnings are affected by the subsidiaries' operations and earnings through the dividends that are provided. However, the Company is not dependent on any subsidiary in operational aspect.

## **Investments**

In April 2020, the Group acquired 75 per cent. of the shares in MoneyGo AB. In July 2020, the Group acquired 70 per cent. of the shares in FMS Financial Management Solutions GmbH and CMS Collection GmbH respectively. No other important investments have been made since the last audited financial report, being the annual report for the financial year 2019.

## **Material events, changes and trends**

The Group has, until the date of this Prospectus, as a result of the COVID-19 outbreak experienced decreased volumes in corporate lending and factoring. Moreover, the COVID-19 outbreak has resulted in substantial IT development costs and SEK 43 million in additional provisions to credit loss reserves, for the Group. Further, deposits have decreased marginally. However, the development in sale finance, payment solutions and private lending has been positive, while there are no notable changes to net interest and commission income. The long-term implications of COVID-19 are still uncertain.

The Group has initiated a cost reduction program as a result of the COVID-19 outbreak, for the purpose of reducing costs by 100 MSEK on an annual basis.

Other than as described above, there has been no other significant change in the financial or market position of the Group since the latest published annual report, other than the issuance of the Notes on 10 September 2020.

There has been no:

- significant change, other than as described above and in relation to the issuance of the Notes on 10 September 2020, in the financial or market position of the Group since the latest published annual report;
- material adverse change in the prospects of the Company since the date of publication of its latest audited financial statement;
- recent events particular to the Issuer, other than the issuance of the Notes on 10 September 2020, which is to a material extent relevant to the evaluation of the Issuer's solvency since the publication of the Group's latest financial report; and
- significant change in the financial performance of the Group, since the end of the last financial period for which financial information has been published to the date of this Prospectus.

## **Material agreements**

The Company is not a party to any material agreements outside of the ordinary course of business which could result in an entity within the Group having a right or an obligation that could materially affect the Company's ability to meet its obligations under the Notes to the Noteholders.

## **Disputes and litigation**

The Company is involved in disputes and claims as part of the day-to-day operations, such as requirements regarding payment of the borrower's debt. However, neither the Issuer nor the Group are, or have over the past twelve months been, party to any legal, governmental or arbitration proceedings that have had, or would have, a significant effect on the Group's financial position or profitability. The Issuer is not aware of any such proceedings which are pending or threatening, and which could lead to the Issuer or any member of the Group becoming a party to such proceedings.

## **Credit ratings**

Neither the Company nor the Notes have been assigned any credit rating.

## **Interest of advisors**

The Arranger may in the future provide the Company with financial advice and participate in transactions with the Company, for which the Arranger may receive compensation. All services provided by the Arranger, and also those provided in connection with the issue, are provided by the Arranger as independent advisors.

Advokatfirman Vinge KB has acted as legal advisor to the Company in connection with the issue and listing of the Notes and has no conflicting interests with the Company or the Group.

## **Costs**

The Company is responsible for all costs in connection with the admission to trading such as costs for the preparation of a prospectus, admission to trading on regulated market, other documentation, fees to Euroclear Sweden, etc.

## **Board of Directors**

The Company's Board of Directors consists of seven ordinary board members, including the chairman, appointed for the period until the end of the annual general meeting to be held in 2020. All board members can be contacted through the Company's registered address, Evenemangsgatan 31, SE-169 81 Stockholm, Sweden. The members of the Board of Directors, their position and other relevant assignments are set forth below.

### **Arne Liljedahl (born 1950) – Chairman of the Board of Directors**

Chairman of the Board of Directors since: 2017

Member of the Board of Directors since: 2017

Other relevant assignments: -

### **Lennart Ågren (born 1951) – Member of the Board of Directors and Chief Executive Officer**

Member of the Board of Directors since: 1987

Chief Executive Officer since: 1994

Other relevant assignments: Chairman of the board of directors of Svea Inkasso AB.

### **Anders Lidfelt (born 1959) - Member of the Board of Directors**

Member of the Board of Directors since: 2019

Other relevant assignments: Member of the board of directors of Svea Bank AB.

**Mats Hellström (born 1959) – Member of the Board of Directors**

Member of the Board of Directors since: 1995

Other relevant assignments: Chairman of the board of directors of Hellström Advokatbyrå i Stockholm AB.

**Anders Ingler (born 1950) – Member of the Board of Directors**

Member of the Board of Directors since: 2013

Other relevant assignments: Senior partner at Oaklins Sweden KB.

**Mats Kärsrud (born 1951) – Member of the Board of Directors**

Member of the Board of Directors since: 1987

Other relevant assignments: Member of the board of directors of Svea Inkasso AB.

**Anders Hedberg (born 1952) – Member of the Board of Directors**

Member of the Board of Directors since: 2018

Other relevant assignments: Member of the board of directors of Scania Finans AB and Volkswagen Finans AB.

**Anna Frick (born 1968) – Member of the Board of Directors**

Member of the Board of Directors since: 2018

Other relevant assignments: Member of the board of directors of Frisq Holding AB (publ), Fortnox AB (publ), LeoVegas AB (publ), Odd Molly International (publ) and Alvestaglass AB.

## **Management**

The members of the Company's management, their position and other relevant assignments outside the Company are set forth below.

**Lennart Ågren (born 1951) – Chief Executive Officer and Member of the Board of Directors**

Member of the management team since 1981.

**Helena Bäckström (born 1981) – Chief Executive Officer of Svea Inkasso AB**

Member of the management team since 2017.

**Ulrika Fornander (born 1965) - Head of Administrative and Financial Services**

Member of the management team since 1999.

**Jan Åslund (born 1963) - Group Head of Credit**

Member of the management group since 2020.

**Karin Siegrid (born 1984) – Head of Group Accounting**

Member of the management group since 2020.

**Jörgen Edström (born 1964) – IT director of the Group**

Member of the management team since 1996.

**Jan Frödén (born 1967) – Head of Department for Store Payment Solutions**

Member of the management team since 1997.

**Helena Klein (born 1958) – Head of Consumer Loans, Savings and Debt Financing**

Member of the management team since 2018.

**Patrik Widlund (born 1962) – Acting Marketing Director**

Member of the management team since 2018.

**Sam Eid (born 1982) - Responsible for E-commerce Payment Solutions**

Member of the management team since 2018.

**Hans-Birger Nordström (born 1976) – Sales Director**

Member of the management team since 2018.

**Other information about the Board of Directors and management**

Lennart Ågren being member of the Board of Directors and Chief Executive Officer of the Company, has financial interests in the Company as a consequence of his direct holdings of shares. Apart from this, there are no conflicts of interest or potential conflicts of interests between the duties of the members of the Board of Directors and the members of management towards the Company and their private interests and/or other duties.

**Auditor**

The Company's auditor is presently BDO Mälardalen AB ("BDO") with Johan Pharmanson as the auditor in charge. BDO was re-elected at the annual general meeting held in 2019 for the time until the end of the next annual general meeting. Johan Pharmanson can be contacted at, BDO Mälardalen AB, Karlavägen 100, SE-104 51 Stockholm, Sweden. Johan Pharmanson is a member of FAR. BDO has been the Company's auditor since 2017.

**Financial reports**

The Company's annual reports for 2018 as well as 2019 have been reviewed by the Company's current auditor BDO. The Company's annual report for 2019 was published on 30 April 2020.

The annual accounts of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU.

Other than the auditing of the Company's annual reports for the financial years 2018 and 2019 which are incorporated by reference in this Prospectus, the Company's auditor has not audited any part of this Prospectus.

**Expected date for listing, market place and costs relating to the listing**

The Notes will be admitted to trading on Nasdaq Stockholm on or around 30 October 2020, for which listing this Prospectus has been prepared. The aggregate cost for the Notes admission to trading is estimated not to exceed SEK 150 000.

## Documents available for inspection

Hard copies of the following documents are available for review during the period of validity of this Prospectus at the Company's registered address at Evenemangsgatan 31, SE-169 81 Stockholm, Sweden, during ordinary weekday office hours and, in electronic form, on the Company's website [www.svea.com](http://www.svea.com):

- this Prospectus;
- the Company's articles of association as of the date of this Prospectus;
- the certificate of registration of the Company;
- the audited consolidated financial statements of each company in the Group, including the auditor's report, for the financial years 2018 and 2019; and
- the documents listed below, which are incorporated by reference.

The Terms and Conditions will be available on the following link to the Agent's website: [www.intertrustgroup.com](http://www.intertrustgroup.com) and on the following link to the Issuer's website: [www.svea.com](http://www.svea.com).

## Documents incorporated by reference

This Prospectus, in addition to this document, comprises of the following documents which are incorporated by reference and available in electronic format on the Company's website [www.svea.com](http://www.svea.com), during the period of validity of this Prospectus:

- the audited consolidated financial statements of the Group and the Company, including the auditor's report, for the financial year 2019, the income statement and comprehensive income can be found on page 8, the balance sheet can be found on page 9, the cash flow statement can be found on page 12, the report of changes in shareholders' equity can be found on page 10, the description of the accounting principles (accounting policies and valuation principles) applied can be found on pages 13 - 18, notes for the income statement and the balance sheet can be found on pages 13 - 76 and the auditor's report can be found on pages 77 - 80, on the following link: [Annual report 2019](#); and
- the audited consolidated financial statements of the Group and the Company, including the auditor's report, for the financial year 2018, the income statement and comprehensive income can be found on page 8, the balance sheet can be found on page 9, the cash flow statement can be found on page 12, the report of changes in equity capital can be found on page 10, the description of the accounting principles applied can be found on pages 13 - 20, notes for the income statement and the balance sheet can be found on pages 13 - 80 and the auditor's report can be found on pages 81 - 84 of the financial statements, on the following link: [Annual report 2018](#).

Where only certain parts of the above documents are incorporated by reference, the non-incorporated parts are either not relevant for the investor or covered elsewhere in this Prospectus.

## **Complete Terms and Conditions**

### **TERMS AND CONDITIONS FOR**

**SVEA EKONOMI AB**

**SEK 300,000,000**

**TIER 2 SUBORDINATED**

**FLOATING RATE NOTES**

**ISIN: SE0014781340**

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*No action is being taken that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of this document or any other material relating to the Issuer or the Notes in any jurisdiction other than Sweden, where action for that purpose is required. Persons into whose possession this document comes are required by the Issuer to inform themselves about, and to observe, any applicable restrictions.*

## **Privacy Notice**

The Issuer and the Agent may collect and process personal data relating to the Noteholders, the Noteholders' representatives or agents, and other persons nominated to act on behalf of the Noteholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Notes). The personal data relating to the Noteholders is primarily collected from the registry kept by the CSD. The personal data relating to other persons is primarily collected directly from such persons.

The personal data collected will be processed by the Issuer and the Agent for the following purposes:

- (a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents;
- (b) to manage the administration of the Notes and payments under the Notes;
- (c) to enable the Noteholders' to exercise their rights under the Finance Documents; and
- (d) to comply with their obligations under applicable laws and regulations.

The processing of personal data by the Issuer and the Agent in relation to items (a) - (c) is based on their legitimate interest to exercise their respective rights and to fulfil their respective obligations under the Finance Documents. In relation to item (d), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer or Agent. Unless otherwise required or permitted by law, the personal data collected will not be kept longer than necessary given the purpose of the processing.

Personal data collected may be shared with third parties, such as the CSD, when necessary to fulfil the purpose for which such data is processed.

Subject to any legal preconditions, the applicability of which have to be assessed in each individual case, data subjects have the rights as follows. Data subjects have right to get access to their personal data and may request the same in writing at the address of the Issuer and the Agent, respectively. In addition, data subjects have the right to (i) request that personal data is rectified or erased, (ii) object to specific processing, (iii) request that the processing be restricted and (iv) receive personal data provided by themselves in machine-readable format. Data subjects are also entitled to lodge complaints with the relevant supervisory authority if dissatisfied with the processing carried out.

The Issuer's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites [www.svea.com](http://www.svea.com) and [www.intertrustgroup.com/](http://www.intertrustgroup.com/)



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# 1 Definitions and construction

## 1.1 Definitions

In these terms and conditions (the “**Terms and Conditions**”):

“**Acceleration Event**” means an event set forth in Clause 14.1.

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

“**Additional Tier 1 Capital**” means additional tier 1 capital (*Sw. primärkapitaltillskott*) as defined in Chapter 3 of Title I of Part Two of the CRR and/or any other Applicable Banking Regulations.

“**Adjusted Nominal Amount**” means the Total Nominal Amount less the Nominal Amount of all Notes owned by a Group Company or an Affiliate, irrespective of whether such person is directly registered as owner of such Notes.

“**Affiliate**” means (i) an entity controlling or under common control with the Issuer, other than a Group Company, and (ii) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in item (i) to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in item (i). For the purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

“**Agency Agreement**” means the agency agreement entered into on or before the Issue Date, between the Issuer and the Agent, or any replacement agency agreement entered into after the Issue Date between the Issuer and an agent.

“**Agent**” means Intertrust (Sweden) AB, Reg. No. 556625-5476, or another party replacing it, as Agent, in accordance with these Terms and Conditions.

“**Applicable Banking Regulations**” means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy applicable to the Issuer or the Group, as the case may be, including, without limitation to the generality of the foregoing, CRD and any other laws, regulations, requirements, guidelines and policies relating to capital adequacy as then applied in Sweden by the Swedish FSA (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).

“**Business Day**” means a day in Sweden other than a Sunday or other public holiday. Saturdays, Midsummer Eve (Sw. *midsommarafton*), Christmas Eve (Sw. *julafton*) and New Year’s Eve (Sw. *nyårsafton*) shall for the purpose of this definition be deemed to be public holidays.

“**Business Day Convention**” means the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day.

“**Capital Event**” means, at any time on or after the Issue Date, a change in the regulatory classification of the Notes that would be likely to result in the exclusion of the Notes from the Tier 2 Capital of the Issuer and/or the Issuer Consolidated Situation or the reclassification of the Notes as a lower quality form of regulatory capital, provided that (a) the Swedish FSA considers such a change to be sufficiently certain and (b) the Issuer demonstrates to the satisfaction of the Swedish FSA that such change was not reasonably foreseeable at the Issue Date, and provided that such exclusion or reclassification is not a result of any applicable limitation on the amount of such Tier 2 Capital contained in the Applicable Banking Regulations.

“**CRD**” means the legislative package consisting of the CRD IV Directive, CRD V Directive, the CRR, the CRR II and any CRD Implementing Measures.

“**CRD IV Directive**” means Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CRD V Directive**” means Directive 2019/878/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms of the European Parliament and of the Council of 27 June 2019, as the same may be amended or replaced from time to time.

“**CRD Implementing Measures**” means any regulatory capital rules, regulations or other requirements implementing (or promulgated in the context of) the CRD IV Directive, the CRD V Directive, the CRR or the CRR II 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 or the Group, as applicable.

“**CRR**” means Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 26 June 2013, as the same may be amended or replaced from time to time.

“**CRR II**” means Regulation (EU) No. 876/2019 on prudential requirements for credit institutions and investment firms of the European Parliament and of the Council of 27 June 2019, as the same may be amended or replaced from time to time.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Notes, from time to time, initially Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden.

“**CSD Regulations**” means the CSD’s rules and regulations applicable to the Issuer, the Agent and the Notes from time to time.

“**Final Maturity Date**” means the Interest Payment Date falling on or immediately after the tenth (10th) anniversary of the Issue Date.

“**Finance Documents**” means these Terms and Conditions and any other document designated as a “*Finance Document*” by the Agent and the Issuer.

“**Financial Instruments Accounts Act**” means the Swedish Financial Instruments Accounts Act (Sw. *lag (1998:1479) om kontoföring av finansiella instrument*).

“**First Call Date**” means the Interest Payment Date falling on or immediately after the fifth (5th) anniversary of the Issue Date.

“**Force Majeure Event**” has the meaning set forth in Clause 25.1.

“**Group**” means the Issuer and its Subsidiaries from time to time (each a “**Group Company**”).

“**Insolvent**” means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7-9 of the Swedish Bankruptcy Act (Sw. *konkurslagen (1987:672)*) (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with its creditors (other than the Noteholders) with a view to rescheduling any of its indebtedness (including, if applicable, company reorganisation under the Swedish Company Reorganisation Act (Sw. *lag (1996:764) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

“**Interest**” means the interest on the Notes calculated in accordance with Clauses 6.1 to 6.3.

“**Interest Payment Date**” means 10 September, 10 December, 10 March and 10 June of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 10 December 2020 and the last Interest Payment Date shall be the relevant Redemption Date.

“**Interest Period**” means (i) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date, and (ii) in respect of subsequent Interest Periods, the period from (but excluding) an Interest

Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means three (3) months STIBOR plus 6.15 per cent. *per annum*.

“**Issue Date**” means 10 September 2020.

“**Issuer**” means Svea Ekonomi AB, a public limited liability company incorporated under the laws of Sweden with Reg. No. 556489-2924, having its registered address at Evenemangsgatan 31 A, 169 79 Solna, Sweden.

“**Issuer Consolidated Situation**” means the entities which are part of the Issuer’s Swedish prudential consolidated situation (as such term is used in the Applicable Banking Regulations), from time to time.

“**Issuing Agent**” means Nordea Bank Abp, filial i Sverige, or another party replacing it, as Issuing Agent, in accordance with these Terms and Conditions.

“**Nominal Amount**” has the meaning set forth in Clause 2.3.

“**Note**” means a debt instrument (Sw. *skuldförbindelse*) for the Nominal Amount and of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act and which are governed by and issued under these Terms and Conditions.

“**Noteholder**” means the person who is registered on a Securities Account as direct registered owner (Sw. *ägare*) or nominee (Sw. *förvaltare*) with respect to a Note.

“**Noteholders’ Meeting**” means a meeting among the Noteholders held in accordance with Clause 17 (*Noteholders’ Meeting*).

“**Quotation Day**” means, in relation to (i) an Interest Period for which an interest rate is to be determined, two (2) Business Days before the immediately preceding Interest Payment Date (or in respect of the first Interest Period, two (2) Business Days before the Issue Date), or (ii) any other period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

“**Record Date**” means the fifth (5) Business Day prior to (i) an Interest Payment Date, (ii) a Redemption Date, (iii) a date on which a payment to the Noteholders is to be made under Clause 15 (*Distribution of proceeds*) or (iv) another relevant date, or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

“**Redemption Date**” means the date on which the relevant Notes are to be redeemed in accordance with Clause 8 (*Redemption of the Notes*).

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments (or any replacing or supplemental legal act)).

“**Securities Account**” means the account for dematerialised securities maintained by the CSD pursuant to the Financial Instruments Accounts Act in which (i) an owner of such

security is directly registered or (ii) an owner's holding of securities is registered in the name of a nominee.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**STIBOR**” means:

- (a) the Stockholm interbank offered rate for STIBOR fixing administered and calculated by Swedish Financial Benchmark Facility (or any other person which takes over the administration of that rate) for the offering of deposits in Swedish Kronor and for a period equal to the relevant Interest Period (before any correction, recalculation or republication by the administrator) as of or around 11.00 a.m. on the Quotation Day on page STIBOR= of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters;
- (b) if no rate as described in (a) is available for the relevant Interest Period, the rate determined by the Issuing Agent by interpolation between the two closest rates displayed on Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) for STIBOR fixing (or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters) as of or around 11.00 a.m. on the Quotation Day for the offering of deposits in Swedish Kronor;
- (c) if no rate as described in (b) is available for the relevant Interest Period, the arithmetic means of the rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or
- (d) if no quotation is available pursuant to paragraph (c), the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

“**Subsidiary**” means, in relation to any person, any Swedish or foreign legal entity (whether incorporated or not), which at the time is a subsidiary (Sw. *dotterföretag*) to such person, directly or indirectly, as defined in the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*).

“**Swedish FSA**” means the Swedish financial supervisory authority (Sw. *Finansinspektionen*).

“**Swedish Kronor**” and “**SEK**” means the lawful currency of Sweden.

“**Tax Event**” means the occurrence of any amendment to, clarification of or change in the laws, treaties or regulations of Sweden affecting taxation (including any change in the interpretation by any court or authority entitled to do so) or any governmental action, on or after the Issue Date, resulting in that:

- (a) the Issuer is, or becomes, subject to a significant amount of additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes; or
- (b) 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 accepted by any tax authority, which subjects the Issuer to a significant amount of additional taxes, duties or governmental charges,

provided that the Issuer demonstrates to the satisfaction of the Swedish FSA that such change in the tax treatment of the Notes is material and was not foreseeable at the Issue Date.

**“Tier 2 Capital”** means tier 2 capital (Sw. *supplementärkapital*) as defined in Chapter 4 of Title I of Part Two of the CRR and/or any other Applicable Banking Regulations.

**“Total Nominal Amount”** means the total aggregate Nominal Amount of the Notes outstanding at the relevant time.

**“Written Procedure”** means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 18 (*Written Procedure*).

## 1.2 **Construction**

1.2.1 Unless a contrary indication appears, any reference in these Terms and Conditions to:

- (a) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (b) a **“regulation”** includes any regulation, rule or official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
- (c) a provision of law is a reference to that provision as amended or re-enacted; and
- (d) a time of day is a reference to Stockholm time.

1.2.2 When ascertaining whether a limit or threshold specified in Swedish Kronor has been attained or broken, an amount in another currency shall be counted on the basis of the rate of exchange for such currency against Swedish Kronor for the previous Business Day, as published by the Swedish Central Bank (Sw. *Riksbanken*) on its website ([www.riksbank.se](http://www.riksbank.se)). If no such rate is available, the most recently published rate shall be used instead.

1.2.3 A notice shall be deemed to be sent by way of press release if it is made available to the public within Sweden promptly and in a non-discriminatory manner.

1.2.4 No delay or omission of the Agent or of any Noteholder to exercise any right or remedy under the Finance Documents shall impair or operate as a waiver of any such right or remedy.

## **2 Status of the Notes**

- 2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions.
- 2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.
- 2.3 The nominal amount of each Note is SEK 1,250,000 (the “**Nominal Amount**”).
- 2.4 Each Note is issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.
- 2.5 The Issuer undertakes to repay the Notes, to pay interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 2.6 Prior to the Final Maturity Date, a Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable in the event of liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer.
- 2.7 No Noteholder who in the event of the liquidation or bankruptcy of the Issuer is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder.
- 2.8 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local laws to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.
- 2.9 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

## **3 Purpose and use of proceeds**

The Notes shall constitute Tier 2 Capital of the Issuer and the proceeds from the issue of the Notes shall be used (after deduction has been made for the transaction costs payable by the Issuer to the Issuing Agent and its professional advisors for the services provided



in relation to the placement and issuance of the Notes) for general corporate purposes of the Issuer.

## 4 Ranking

The Notes shall constitute Tier 2 Capital of the Issuer and the Issuer Consolidated Situation. The Notes will constitute subordinated and unsecured obligations of the Issuer and rank:

- (i) *pari passu* without any preference among themselves;
- (ii) *pari passu* with (a) any liabilities or capital instruments of the Issuer which constitute Tier 2 Capital and (b) any other liabilities or capital instruments of the Issuer that rank or are expressed to rank equally with the Notes, in each case as regards the right to receive periodic payments in a liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;
- (iii) senior to (a) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (b) holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank or are expressed to rank junior to the Notes, in each case as regards the right to receive periodic payments on a liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and
- (iv) junior to any present and future claims of (a) depositors of the Issuer, (b) any other unsubordinated creditors of the Issuer and (c) any subordinated creditors of the Issuer whose rights are expressed to rank in priority to the holders of the Notes by statute and/or law.

## 5 Conditions for disbursement

5.1 The Issuer shall provide to the Agent, prior to the issuance of the Notes the following, in form and substance satisfactory to the Agent:

- (a) the articles of association (Sw. *bolagsordning*) and the certificate of registration (Sw. *registreringsbevis*) of the Issuer;
- (b) the Finance Documents and the Agency Agreement duly executed by the Issuer;
- (c) a copy of a resolution from the board of directors of the Issuer approving the issue of the Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents necessary in connection therewith;
- (d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of the Issuer are duly authorised to do so; and
- (e) such other documents and information as is agreed between the Agent and the Issuer.

- 5.2 The Agent may assume that the documentation delivered to it pursuant to Clause 5.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.
- 5.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 5.1 have been satisfied.

## **6 Interest**

- 6.1 Each Note carries Interest at the Interest Rate from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.
- 6.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.
- 6.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).
- 6.4 If, due to the existence of a Force Majeure Event as described in Clause 25.1 it is not possible to determine the Interest Rate for an Interest Period, the Interest Rate for the preceding Interest Period shall apply. As soon as the obstacle has been removed, the Interest Rate shall be determined for the current Interest Period, which shall apply from the second (2nd) Business Day following such determination until (and including) the last day of such Interest Period.
- 6.5 If the Issuer fails to pay any amount payable by it on its due date, default interest shall accrue on the overdue amount from (but excluding) the due date up to (and including) the date of actual payment at a rate which is two (2) percentage units higher than the Interest Rate. Accrued default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or CSD, in which case the Interest Rate shall apply instead.

## **7 Notes in book-entry form**

- 7.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator.
- 7.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (Sw. *föräldrabalken (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.
- 7.3 The Issuer and the Agent shall be entitled to obtain information from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Notes, in order for them to fulfil their duties under these Terms and Conditions.

7.4 The Issuer shall issue any necessary power of attorney to such persons employed by the Agent, as notified by the Agent, in order for such individuals to independently obtain information directly from the debt register (Sw. *skuldbok*) kept by the CSD in respect of the Notes. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Noteholders.

## **8 Redemption of the notes**

### **8.1 Redemption at maturity**

The Issuer shall redeem all, but not some only, of the outstanding Notes in full on the Final Maturity Date with an amount per Note equal to the Nominal Amount together with accrued but unpaid Interest. If the Final Maturity Date is not a Business Day, then the redemption shall occur on the first following Business Day.

### **8.2 Early redemption at the option of the Issuer**

Subject to Clause 8.4 (*Consent from the Swedish FSA*), any Applicable Banking Regulation and giving notice in accordance with Clause 8.6 (*Notice of early redemption*), the Issuer may redeem all (but not some only) of the outstanding Notes on (i) the First Call Date or (ii) any Interest Payment Date falling after the First Call Date.

### **8.3 Early redemption upon the occurrence of a Capital Event or Tax Event**

If a Capital Event or Tax Event occurs prior to the First Call Date, the Issuer may, at its option, but subject to Clause 8.4 (*Consent from the Swedish FSA*), any Applicable Banking Regulation and giving notice in accordance with Clause 8.6 (*Notice of early redemption*), redeem all (but not some only) outstanding Notes on any Interest Payment Date.

### **8.4 Consent from the Swedish FSA**

A Group Company, or other company forming part of the Issuer Consolidated Situation, may not redeem or purchase any outstanding Notes prior to the Final Maturity Date without the prior consent of the Swedish FSA and in accordance with any Applicable Banking Regulations. Any Notes redeemed or purchased in accordance with this Clause 8.4, may be retained, sold or cancelled by the relevant Group Company, if such action has been approved by the Swedish FSA.

### **8.5 Early redemption amount**

The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

### **8.6 Notice of early redemption**

Any redemption in accordance with Clauses 8.2 (*Early redemption at the option of the Issuer*) and 8.3 (*Early redemption upon the occurrence of a Capital Event or Tax Event*) shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the

Noteholders and the Agent. Any such notice is irrevocable and, upon expiry of the notice period, the Issuer is bound to redeem the Notes.

## **9 Payments in respect of the Notes**

- 9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.
- 9.2 If a Noteholder has registered, through an Account Operator, that principal and interest shall be deposited in a certain bank account, such deposits will be effected by the CSD on the relevant payment date. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.
- 9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. Interest shall accrue in accordance with Clause 6.5 during such postponement.
- 9.4 If payment or repayment is made in accordance with this Clause 9, the Issuer and the CSD shall be deemed to have fulfilled their obligation to pay, irrespective of whether such payment was made to a person not entitled to receive such amount.

## **10 Right to act on behalf of a Noteholder**

- 10.1 If any person other than a Noteholder wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other proof of authorisation from the Noteholder or a successive, coherent chain of powers of attorney or proofs of authorisation starting with the Noteholder and authorising such person.
- 10.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney.
- 10.3 The Agent shall only have to examine the face of a power of attorney or other proof of authorisation that has been provided to it pursuant to Clause 10.2 and may assume that it has been duly authorised, is valid, has not been revoked or superseded and that it is in full force and effect, unless otherwise is apparent from its face.

## **11 Information to Noteholders**

### **11.1 Information from the Issuer**

The Issuer will make the following information available to the Noteholders by way of press release and by publication on the website of the Issuer:

- (a) as soon as the same become available, but in any event within 120 days after the end of each financial year, its audited consolidated financial statements for that financial year;
- (b) as soon as the same become available, but in any event within 60 days after the end of each interim half of its financial year, its unaudited consolidated financial statements or the year-end report (Sw. *bokslutskommuniké*) (as applicable) for such period;
- (c) as soon as practicable following an acquisition or disposal of Notes by a Group Company, the aggregate Nominal Amount held by Group Companies, or the amount of Notes cancelled by the Issuer; and
- (d) from and for as long as the Notes are admitted to trading on any Regulated Market, any other information required by the Swedish Securities Markets Act (Sw. *lag (2007:582) om värdepappersmarknaden*) and the rules and regulations of the Regulated Market on which the Notes are admitted to trading.

### **11.2 Information from the Agent**

The Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information.

### **11.3 Publication of Finance Documents**

- 11.3.1 The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the website of the Issuer and the Agent.
- 11.3.2 The latest versions of the Finance Documents shall be available to the Noteholders at the office of the Agent during normal business hours.

## **12 Admission to trading**

- 12.1 The Issuer shall use its best efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within 150 days from the Issue Date, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market.
- 12.2 Following the admission to trading, the Issuer shall use its best efforts to maintain the admission as long as any Notes are outstanding, but not longer than up to and including the last day on which the admission to trading reasonably can, pursuant to the then applicable regulations of the Regulated Market and the CSD, subsist.

- 12.3 For the avoidance of doubt, neither a Noteholder nor the Agent has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes if a failure to list the Notes or maintain a listing of the Notes in accordance with Clauses 12.1 or 12.2 above occurs.

### **13 Undertakings relating to the Agency Agreement**

- 13.1 The Issuer shall, in accordance with the Agency Agreement:
- (a) pay fees to the Agent;
  - (b) indemnify the Agent for costs, losses and liabilities;
  - (c) furnish to the Agent all information requested by or otherwise required to be delivered to the Agent; and
  - (d) not act in a way which would give the Agent a legal or contractual right to terminate the Agency Agreement.
- 13.2 The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Noteholders if the amendment would be detrimental to the interests of the Noteholders.

### **14 Acceleration of the Notes**

- 14.1 Prior to the Final Maturity Date, a Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable if the Issuer is placed into bankruptcy (Sw. *försatt i konkurs*) or is the subject of liquidation proceedings (Sw. *trätt i likvidation*) (each an “**Acceleration Event**”).
- 14.2 No Noteholder who in the event of the liquidation (Sw. *likvidation*) or bankruptcy (Sw. *konkurs*) of the Issuer is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder.
- 14.3 If an Acceleration Event has occurred, the Agent is, following the instructions of the Noteholders, authorized to (i) by notice to the Issuer, declare all, but not only some, of the Notes due for payment together with any other amounts payable under the Finance Documents, immediately or at such later date as the Agent determines, and (ii) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 14.4 The Issuer shall as soon as possible notify the Noteholders and the Agent of the occurrence of an Acceleration Event.

### **15 Distribution of Proceeds**

- 15.1 All payments by the Issuer relating to the Notes and the Finance Documents following an acceleration of the Notes in accordance with Clause 14 (*Acceleration of the Notes*) shall be distributed in the following order of priority, in accordance with the instructions of the Agent:
- (a) *first*, in or towards payment *pro rata* of (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent in accordance with the Agency

Agreement (other than any indemnity given for liability against the Noteholders), (ii) other costs, expenses and indemnities relating to the acceleration of the Notes, or the protection of the Noteholders' rights as may have been incurred by the Agent, (iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 20.2.5, and (iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.16;

- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);
- (c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer.

- 15.2 If a Noteholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.1(a), such Noteholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.1(a).
- 15.3 Funds that the Agent receives (directly or indirectly) in connection with the acceleration of the Notes constitute escrow funds (Sw. *redovisningsmedel*) and must be held on a separate interest-bearing account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 as soon as reasonably practicable.
- 15.4 If the Issuer or the Agent shall make any payment under this Clause 15, the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made. Such notice shall specify the Record Date, the payment date and the amount to be paid. Notwithstanding the foregoing, for any Interest due but unpaid the Record Date specified in Clause 9.1 shall apply.

## **16 Decisions by Noteholders**

- 16.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.
- 16.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount (such request may only be validly made by a person who is a Noteholder on the Business Day immediately following the day on which the request is received by the Agent and shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the

Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.

- 16.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if (i) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given, or (ii) the suggested decision is not in accordance with applicable laws.
- 16.4 Should the Agent not convene a Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.3 being applicable, the Issuer or the Noteholder(s) requesting a decision by the Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer shall upon request provide the convening Noteholder(s) with the information available in the debt register kept by the CSD in respect of the Notes in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be.
- 16.5 Should the Issuer want to replace the Agent, it may (i) convene a Noteholders' Meeting in accordance with Clause 17.1 or (ii) instigate a Written Procedure by sending a communication in accordance with Clause 18.1, in both cases with a copy to the Agent. After a request from the Noteholders pursuant to Clause 20.4.3, the Issuer shall no later than five (5) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 17.1. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the notice or the communication.
- 16.6 Only a person who is, or who has been provided with a power of attorney pursuant to Clause 10 (*Right to act on behalf of a Noteholder*) from a person who is, registered as a Noteholder:
- (a) on the Business Day specified in the notice pursuant to Clause 17.2, in respect of a Noteholders' Meeting, or
  - (b) on the Business Day specified in the communication pursuant to Clause 18.2, in respect of a Written Procedure,
- may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the definition of Adjusted Nominal Amount.
- 16.7 The following matters shall require the consent of Noteholders representing at least seventy-five (75) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3:
- (a) a change to the terms of any of Clause 2.1, 2.6, 2.7 or 4;
  - (b) a change to the Interest Rate or the Nominal Amount;
  - (c) a change to the terms for the distribution of proceeds set out in Clause 15 (*Distribution of proceeds*);



- (d) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 16;
- (e) a change of issuer, an extension of the tenor of the Notes or any delay of the due date for payment of any principal or interest on the Notes;
- (f) a mandatory exchange of the Notes for other securities; and
- (g) early redemption of the Notes, other than upon an acceleration of the Notes pursuant to Clause 14 (*Acceleration of the Notes*) or as otherwise permitted or required by these Terms and Conditions.

16.8 Any matter not covered by Clause 16.7 shall require the consent of Noteholders representing more than fifty (50) per cent. of the Adjusted Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 18.3. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 19.1(a) or (b)), and an acceleration of the Notes.

16.9 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Nominal Amount in case of a matter pursuant to Clause 16.7, and otherwise twenty (20) per cent. of the Adjusted Nominal Amount:

- (a) if at a Noteholders' Meeting, attend the meeting in person or by telephone conference (or appear through duly authorised representatives); or
- (b) if in respect of a Written Procedure, reply to the request.

If a quorum exists for some but not all of the matters to be dealt with at a Noteholders' Meeting or by a Written Procedure, decisions may be taken in the matters for which a quorum exists.

16.10 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 17.1) or initiate a second Written Procedure (in accordance with Clause 18.1), as the case may be, provided that the relevant proposal has not been withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.10, the date of request of the second Noteholders' Meeting pursuant to Clause 17.1 or second Written Procedure pursuant to Clause 18.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.9 shall not apply to such second Noteholders' Meeting or Written Procedure.

16.11 Any decision which extends or increases the obligations of the Issuer or the Agent, or limits, reduces or extinguishes the rights or benefits of the Issuer or the Agent, under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

16.12 A Noteholder holding more than one Note need not use all its votes or cast all the votes to which it is entitled in the same way and may in its discretion use or cast some of its votes only.

- 16.13 If any matter decided in accordance with this Clause 16 would require consent from the Swedish FSA, such consent shall be sought by the Issuer.
- 16.14 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Noteholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Noteholders that consent at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.
- 16.15 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Noteholders.
- 16.16 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.17 If a decision shall be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates, irrespective of whether such person is directly registered as owner of such Notes. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Note is owned by a Group Company or an Affiliate.
- 16.18 Information about decisions taken at a Noteholders' Meeting or by way of Written Procedure shall promptly be sent by notice to the Noteholders and published on the website of the Issuer and the Agent, provided that a failure to do so shall not invalidate any decision made or voting result achieved. The minutes from the relevant Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

## **17 Noteholders' Meeting**

- 17.1 The Agent shall convene a Noteholders' Meeting no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the notice is sent.
- 17.2 The notice pursuant to Clause 17.1 shall include (i) time for the meeting, (ii) place for the meeting, (iii) agenda for the meeting (including each request for a decision by the Noteholders), (iv) the Business Day a person must be a Noteholder in order to exercise the Noteholders' rights at a Noteholders' Meeting, and (v) a form of power of attorney. Only matters that have been included in the notice may be resolved upon at the Noteholders' Meeting. Should prior notification by the Noteholders be required in order to attend the Noteholders' Meeting, such requirement shall be included in the notice.

- 17.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days after the effective date of the notice.
- 17.4 Without amending or varying these Terms and Conditions, the Agent may prescribe such further regulations regarding the convening and holding of a Noteholders' Meeting as the Agent may deem appropriate. Such regulations may include a possibility for Noteholders to vote without attending the meeting in person.

## **18 Written Procedure**

- 18.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on a date selected by the Agent which falls no more than five (5) Business Days prior to the date on which the communication is sent.
- 18.2 A communication pursuant to Clause 18.1 shall include (i) each request for a decision by the Noteholders, (ii) a description of the reasons for each request, (iii) a specification of the Business Day on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights, (iv) instructions and directions on where to receive a form for replying to the request (such form to include an option to vote yes or no for each request) as well as a form of power of attorney, and (v) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than twenty (20) Business Days from the effective date of the communication pursuant to Clause 18.1). If the voting shall be made electronically, instructions for such voting shall be included in the communication.
- 18.3 When the requisite majority consents of the total Adjusted Nominal Amount pursuant to Clauses 16.7 and 16.8 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.7 or 16.8, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

## **19 Amendments and Waivers**

- 19.1 The Issuer and the Agent (acting on behalf of the Noteholders) may agree to amend the Finance Documents or waive any provision in a Finance Document, provided that:
- (a) such amendment or waiver is not detrimental to the interest of the Noteholders, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (b) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (c) such amendment or waiver has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).
- 19.2 The consent of the Noteholders is not necessary to approve the particular form of any amendment to the Finance Documents. It is sufficient if such consent approves the substance of the amendment.

- 19.3 The Agent shall promptly notify the Noteholders of any amendments or waivers made in accordance with Clause 19.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to the Finance Documents are published in the manner stipulated in Clause 11.3 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.
- 19.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

## **20 Appointment and Replacement of the Agent**

### **20.1 Appointment of Agent**

- 20.1.1 By subscribing for Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.
- 20.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.
- 20.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 20.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 20.1.5 The Agent may act as agent or trustee for several issues of securities issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

### **20.2 Duties of the Agent**

- 20.2.1 The Agent shall represent the Noteholders in accordance with the Finance Documents.
- 20.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent shall carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

- 20.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.
- 20.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- 20.2.5 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of an Acceleration Event, or for the purpose of investigating or considering (i) an event which the Agent reasonably believes is or may lead to an Acceleration Event or (ii) a matter relating to the Issuer or the Finance Documents which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents and (iii) in connection with any Noteholders' Meeting or Written Procedure, or (iv) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents. Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).
- 20.2.6 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreements and the CSD Regulations applicable to the Agent, as may be necessary in order for the Agent to carry out its duties under the Finance Documents.
- 20.2.7 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- 20.2.8 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate Security has been provided therefore) as it may reasonably require.
- 20.2.9 The Agent shall give a notice to the Noteholders (i) before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or (ii) if it refrains from acting for any reason described in Clause 20.2.8.
- 20.3 **Limited liability for the Agent**
- 20.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly

caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect or consequential loss.

20.3.2 The Agent shall not be considered to have acted negligently if it has acted in accordance with advice from or opinions of reputable external experts provided to the Agent upon its request or if the Agent has acted with reasonable care in a situation when the Agent considers that it is detrimental to the interests of the Noteholders to delay the action in order to first obtain instructions from the Noteholders.

20.3.3 The Agent shall not be liable for any delay (or any related consequences) in crediting an account with an amount required pursuant to the Finance Documents to be paid by the Agent to the Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

20.3.4 The Agent shall have no liability to the Issuer or the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with the Finance Documents.

20.3.5 Any liability towards the Issuer which is incurred by the Agent in acting under, or in relation to, the Finance Documents shall not be subject to set-off against the obligations of the Issuer to the Noteholders under the Finance Documents.

#### 20.4 **Replacement of the Agent**

20.4.1 Subject to Clause 20.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

20.4.2 Subject to Clause 20.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

20.4.3 A Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice may only be validly given by a person who is a Noteholder on the Business Day immediately following the day on which the notice is received by the Issuer and shall, if given by several Noteholders, be given by them jointly), require that a Noteholders' Meeting is held for the purpose of dismissing the Agent and appointing a new Agent. The Issuer may, at a Noteholders' Meeting convened by it or by way of Written Procedure initiated by it, propose to the Noteholders that the Agent be dismissed and a new Agent appointed.

20.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after (i) the earlier of the notice of resignation was given or the resignation otherwise took place or (ii) the Agent was dismissed through a decision by the Noteholders, the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

- 20.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- 20.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.
- 20.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.
- 20.4.8 In the event that there is a change of the Agent in accordance with this Clause 20.4, the Issuer shall execute such documents and take such actions as the new Agent may reasonably require for the purpose of vesting in such new Agent the rights, powers and obligation of the Agent and releasing the retiring Agent from its further obligations under the Finance Documents and the Agency Agreement. Unless the Issuer and the new Agent agrees otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

## **21 Appointment and Replacement of the Issuing Agent**

- 21.1 The Issuer appoints the Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes.
- 21.2 The Issuing Agent may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has approved that a commercial bank or securities institution approved by the CSD accedes as new Issuing Agent at the same time as the old Issuing Agent retires or is dismissed. If the Issuing Agent is Insolvent, the Issuer shall immediately appoint a new Issuing Agent, which shall replace the old Issuing Agent as issuing agent in accordance with these Terms and Conditions.

## **22 No Direct Action by the Noteholders**

- 22.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 20.1.2), such actions within a reasonable period of

time and such failure or inability is continuing. However, if the failure to take certain actions is caused by the non-payment of any fee or indemnity due to the Agent under the Finance Documents or the Agency Agreement or by any reason described in Clause 20.2.6, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 21.2.8 before a Noteholder may take any action referred to in Clause 22.1.

## **23 Prescription**

- 23.1 The right to receive repayment of the principal of the Notes shall be prescribed and become void ten (10) years from the Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be prescribed and become void three (3) years from the relevant due date for payment. The Issuer is entitled to any funds set aside for payments in respect of which the Noteholders' right to receive payment has been prescribed and has become void.
- 23.2 If a limitation period is duly interrupted in accordance with the Swedish Act on Limitations (Sw. *preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

## **24 Notices and Press releases**

### **24.1 Notices**

- 24.1.1 Any notice or other communication to be made under or in connection with the Finance Documents:
- (a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on the Business Day prior to dispatch or, if sent by email by the Issuer, to such email address notified by the Agent to the Issuer from time to time;
  - (b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch or, if sent by email by the Agent, to such email address notified by the Issuer to the Agent from time to time; and
  - (c) if to the Noteholders, shall be given at their addresses as registered with the CSD, on the date such person shall be a Noteholder in order to receive the communication, and by either courier delivery or letter for all Noteholders. A notice to the Noteholders shall also be published on the website of the Issuer.
- 24.1.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter (and, if between the Agent and the Issuer, by email) and will only be effective, in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1.1 or, in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1.1 or, in case of email to the



Agent or the Issuer, when received in legible form by the email address specified in Clause 24.1.1.

24.1.3 Failure to send a notice or other communication to a Noteholder or any defect in it shall not affect its sufficiency with respect to other Noteholders.

## 24.2 **Press releases**

If any information relating to the Notes or the Issuer contained in a notice the Agent may send to the Noteholders under these Terms and Conditions has not already been made public by way of a press release, the Agent shall before it sends such information to the Noteholders give the Issuer the opportunity to issue a press release containing such information. If the Issuer does not promptly issue a press release and the Agent considers it necessary to issue a press release containing such information before it can lawfully send a notice containing such information to the Noteholders, the Agent shall be entitled to issue such press release.

## 25 **Force Majeure and Limitation of Liability**

25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, terrorism or any other similar circumstance (a “**Force Majeure Event**”). The reservation in respect of strikes, lockouts, boycotts and blockades applies even if the Agent or the Issuing Agent itself takes such measures, or is subject to such measures.

25.2 The Issuing Agent shall have no liability to the Noteholders if it has observed reasonable care. The Issuing Agent shall never be responsible for indirect damage with exception of gross negligence and wilful misconduct.

25.3 Should a Force Majeure Event arise which prevents the Agent or the Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

25.4 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the Financial Instruments Accounts Act which provisions shall take precedence.

## 26 **Governing Law and Jurisdiction**

26.1 These Terms and Conditions, and any non-contractual obligations arising out of or in connection therewith, shall be governed by and construed in accordance with the laws of Sweden.

26.2 The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (Sw. *Stockholms tingsrätt*).

We hereby certify that the above terms and conditions are binding upon ourselves.

Place:

Date:

**SVEA EKONOMI AB (publ)**  
**as Issuer**

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Name:

We hereby undertake to act in accordance with the above terms and conditions to the extent they refer to us.

Place:

Date:

**INTERTRUST (SWEDEN) AB**  
**as Agent**

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Name:

## Addresses

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