

This prospectus was approved by the Swedish Financial Supervisory Authority on 27 June 2023. The validity of this prospectus will expire within twelve (12) months after the date of its approval. The obligation to supplement this prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.



KRUK S.A.

**PROSPECTUS REGARDING THE ADMISSION TO TRADING OF
EUR 150,000,000**

SENIOR UNSECURED CALLABLE FLOATING RATE BONDS

2023/2028

ISIN: NO0012903444

27 June 2023

IMPORTANT INFORMATION

This prospectus (the “**Prospectus**”) has been prepared by KRUK S.A., Polish reg. no. 0000240829 (“**KRUK**”, the “**Company**” or the “**Issuer**” or together with its direct and indirect subsidiaries (each a “**Group Company**”), unless otherwise indicated by the context, the “**Group**”), in relation to the application for admission for trading of the Issuer’s EUR 150,000,000 senior unsecured callable floating rate bonds 2023/2028 with ISIN NO0012903444 (the “**Bonds**”), issued in accordance with the terms and conditions for the Bonds (the “**Terms and Conditions**” and the “**Bond Issue**”, respectively), on the bond list on Nasdaq Stockholm Aktiebolag (“**Nasdaq Stockholm**”). Concepts and terms defined in Section “*Terms and Conditions for the Bonds*” are used with the same meaning throughout the entire Prospectus unless otherwise is explicitly understood from the context or otherwise defined in this Prospectus. The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under the Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Bond Issues equals EUR 350,000,000. Only Bonds that have been issued as of the date of approval of the Prospectus may be admitted to trading based on the Prospectus.

This Prospectus has been prepared by the Issuer and approved and registered by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) pursuant to Chapter II and Article 20 in 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**”). Furthermore, Annexes 7 and 15 of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, form the basis for the content of this Prospectus. Approval and registration in accordance with the Prospectus Regulation does not constitute any guarantee from the Swedish Financial Supervisory Authority that the information in this Prospectus is accurate or complete.

This Prospectus is not an offer for sale or a solicitation of an offer to purchase the Bonds in any jurisdiction. It has been prepared solely for the purpose of admitting the Bonds to trading on Nasdaq Stockholm. This Prospectus may not be distributed in the US, Australia, Hong Kong, Japan, Canada, Switzerland, Singapore, South Africa or New Zealand or in any other jurisdiction where such distribution or disposal requires 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 Bonds are therefore required to inform themselves about, and to observe, such restrictions. The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and are subject to U.S. tax law requirements. The Bonds 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, except for “**Qualified Institutional Buyers**” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act.

Unless otherwise explicitly stated, no information contained in this Prospectus has been audited or reviewed by the Issuer’s auditors. Certain financial information in this Prospectus may have 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 shall be read together with all documents that are incorporated by reference and possible supplements to this Prospectus. In this Prospectus, any references to “**EUR**” refer to the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union. Any references to “**SEK**” refer to Swedish Kronor and any references “**PLN**” refer to Polish zloty.

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 Issuer’s management or are assumptions based on information available to the Group. The words “**considers**”, “**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 Issuer believes that the forecasts 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 Group’s operations. Such factors of a significant nature are mentioned in Section “*Risk factors*” below.

The Bonds may not be a suitable investment for all investors and each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact other Bonds will have on its overall investment portfolio; (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds; (iv) understand thoroughly the Terms and Conditions; and (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

This Prospectus has been prepared in English only and is governed by Swedish law. Disputes concerning, or related to, the contents of this Prospectus shall be subject to the exclusive jurisdiction of the courts of Sweden. The District Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance. The Prospectus is available at the Swedish Financial Supervisory Authority’s website (www.fi.se) and the Issuer’s website (www.en.kruk.eu).

TABLE OF CONTENTS

RISK FACTORS	1
THE BONDS IN BRIEF	11
DESCRIPTION OF THE ISSUER AND THE GROUP	16
OWNERSHIP STRUCTURE	21
THE SUPERVISORY BOARD, MANAGEMENT BOARD AND AUDITORS	22
SUPPLEMENTARY INFORMATION	25
FINANCIAL INFORMATION	26
TERMS AND CONDITIONS FOR THE BONDS	28
ADDRESSES	33

RISK FACTORS

In this section, a number of risk factors are illustrated, both risks pertaining to the Issuer and the Group's industry, market, business activities, financial situation and legal, regulatory and macroeconomic environment, as well as risks relating to the Bonds. The purpose of this section is to enable a potential investor to assess the relevant risks related to their potential investment in the Bonds in order to make an informed investment decision. Each of the risk factors set forth below describe risks which, in the meaning of Regulation (EU) 2017/1129, are material and specific to the Issuer and the Bonds.

All risk factors included below have been assessed by the Issuer to be material and specific to the Issuer and the Bonds in the meaning of Regulation (EU) 2017/1129. The Issuer's assessment includes both an assessment of the probability of each respective risk factor occurring and the expected magnitude of its negative impact if it would occur. The risk factors are organised in several categories and the most material risk factor in a category is presented first in each category. Subsequent risk factors in the same category are not purported to be ranked in order of materiality or probability of occurrence.

RISKS RELATING TO THE GROUP

Risks relating to the Group's industry, market and business activities

Risk related to debt recoveries

The Group's largest exposure towards credit losses exists within the debt purchase and collection business segment that accounted for 89 per cent. of the Group's total revenue during the financial year 2022, where the Group purchases primarily retail grade debt portfolios from third parties. As of 31 December 2022, the Group's acquired debt portfolios carrying value amounted to approximately EUR 1,400 million. From all portfolios purchased by the Group, as of 31 December 2022, the estimated remaining collections amounted to EUR 3 787 million. The Group recognized gain on expected credit losses in 2022. There can however be no assurance that the Group will receive higher than expected collections on purchased debt portfolios or any gains in expected credit losses. Any gains/losses in expected credit losses are subject to revaluation of recovery projections position and deviations of actual recoveries, decreases on early collections in collateralised cases and payments from original creditor position. These positions are based on previous events, current conditions and forecasts of future conditions, among others in the split of amicable collections and legal collections. Historical gains/losses in expected credit losses are not an indication as to future credit gains/losses.

Lower credit gains/losses could materialise where the underlying debtors end up in a financial situation where they cannot pay amounts owed to the Group as they fall due, or otherwise abstain from fulfilling their obligations. The underlying debtors' failure to pay debt obligations as they fall due could also be a result of a general economic downturn and its effect on the financial state of businesses and households (see also the risk factor "*Risks relating to regional or global macroeconomic conditions*" below).

Due to the amount of time involved in collecting non-performing debt in relation to acquired debt portfolios, which can vary greatly depending on the type of portfolio and underlying assets involved (as of 31 December 2022, 62 per cent. of the Group's estimated remaining collections are expected to be received within 5 years), the Group may not be able to identify economic trends or make changes in acquiring strategies in a timely manner. This could result in a loss of value in a debt portfolio after the acquisition.

There is a risk that underlying debts under the Group's purchased debt portfolios cannot eventually be collected by the Group to the expected degree as the Group may have overestimated its ability to collect the amounts owed, underestimated the costs or moment in time of collection or misjudged whether the underlying debts are valid, existing and enforceable. This risk is higher in new markets or portfolios with unusual characteristics where the Group may not yet have sufficient historical data.

If the Group were to become unable to collect the expected amounts contained in its debt portfolios as assumed in its forecasts, it could have a material adverse effect on the Group's cash flow and profitability and ultimately the Issuer's ability to make payments under the Bonds. Further, after taking into consideration all direct and indirect operating costs, financing costs, taxes and other factors, it may take several years for the Group to recoup the original

acquisition price in relation to the relevant debt portfolio. During this period, significant changes may occur in the economy, the regulatory environment or the Group's business or markets, which could lead to a substantial reduction in expected returns or a reduced value for the relevant debt portfolios which could entail a need for the Group to carry out a negative revaluation of the asset value, which could impact the Group's solidity.

The risk related to debt recoveries could have a material adverse effect on the Group's cash flow and profitability and the Issuer's ability to make payments under the Bonds as well as the Group's solidity, which could negatively impact the Group's ability to fulfil financial covenants in its financings.

Risks related to the identification and pricing of profitable investment targets

Since the acquisition of debt portfolios from third parties, mainly banks and financial institutions is an integral part of the Group's operations, the Group is dependent on consciously being able to identify and acquire new debt portfolios that meet the Group's investment criteria and assumed rate of return. In its debt portfolio screening and pricing process, the Group uses analytical and statistical models based on historical data (see the risk factor "*The statistical models and analytical tools the Group uses may prove to be inaccurate*").

The identification and assessment of potential investment targets can be a lengthy process that may demand a substantial allocation of internal resources and can also involve costs for, inter alia, legal and financial advisory services. To a large extent, such costs are incurred also where a potential debt portfolio acquisition is not completed. There is a risk that debt portfolios that meets the Group's risk appetite and investment criteria cannot be identified or that the Group is unable to acquire such debt portfolios on acceptable terms or at all. A failure to identify and invest in attractive debt portfolios could entail a reduction in the Group's long term cash flow and profitability and an inability to acquire debt portfolios at attractive prices could entail a reduction of the Group's margins and profits, all of which would affect the Group's financial condition and the Issuer's ability to make payments under the Bonds. If the Group fails to correctly price debt portfolios at the time of purchase, e.g. due to failures in the Group's analytical models or insufficient or erroneous statistical data, the recovery value for the Group's portfolios may be calculated inaccurately and a suboptimal collection strategy may be adopted, with lower recovery rates and/or higher operating expenses and possible loss on expected credit losses as a result.

Since the majority of the Group's purchased debt portfolios are acquired through tender processes other market participants will from time to time compete for the same investment opportunities as the Group. There is a risk that the Group is unable to place bids in a competitive manner, e.g. due to the Group lacking sufficient data to correctly value the debt portfolio and therefore placing an uncompetitive bid, and that the relevant debt portfolios are instead sold to a competitor of the Group. Furthermore, such competing market participants may have greater financial and/or organisational resources than the Group or be otherwise better equipped to complete debt portfolio acquisitions due to inter alia better access to relevant data than the Group which allows them to place well founded and more competitive bids, which could lead to the Group losing favourable and suitable investment opportunities. Should the Group fail to win bid processes, this could result in a decreased long term cash flow and lower future profits, which in turn could affect the Group's financial condition and the Issuer's ability to make payments under the Bonds.

The statistical models and analytical tools the Group uses may prove to be inaccurate

The Group uses models to inter alia price debt portfolios before a potential acquisition by the Group (see risk factor "*Risks related to the identification and pricing of profitable investment targets*"), project the remaining cash flow generation from its acquired debt portfolios and assess alternative strategies for improving the collectability of the acquired debt portfolios. There can be no assurance that the Group will be able to achieve the recoveries forecasted by the models used to value the portfolios or that those models will appropriately identify or assess all material factors and yield correct or accurate forecasts as the Group's historical collection experience may not reflect current or future realities. In addition, the Group's statistical models and analytical tools assess information which to some extent is provided by third parties, such as credit agencies and other mainstream or public sources, or generated by software products. The Group has no control over the accuracy of such information received from third parties. If this risk were to materialise it may entail a decreased cash, lower margins and a lower profitability in relation to the

Group's debt portfolios, all of which could have a material adverse effect on the Issuer's ability to make payments under the Bonds.

Risks relating to the Group's historic growth and business objectives

The revenue and net profit of the Group for the financial year ended 2022 have increased by 23 per cent. and 16 per cent., respectively, compared with the financial year ended 2021. However, there can be no assurance that the Group will maintain or improve its historical results and therefore the Group's historical results should not be treated as indicative of its future performance. There is also a risk that the Group will fail to achieve its business objectives and expansion plans which may be caused by various factors, including market situation, business environment, competitors' activities, lower availability of external financing, incorrect valuation of investments including purchased debt portfolios and errors of persons responsible for the development and execution of the Group's business strategy. Delays in achieving the Group's strategic objectives within the assumed time frame or the occurrence of any of the above described circumstances may have an adverse effect on the Group's operations, financial condition or results.

Risk relating to dependency on IT infrastructure

The Group's success depends in large part on its ability to process significant amounts of data quickly and accurately to access, maintain and expand the databases it uses for pricing and collection activities. The Group also uses its systems to identify large numbers of customers, store personal data of its customers, analyse and segment accounts and monitor the results of collection efforts. The Group is thus dependent on the uninterrupted and efficient operation of its information and communications system, including information technology in order to manage critical business processes, such as credit assessments and various administrative functions. The Group is dependent on third-party providers of IT infrastructure in order to conduct its business. Some of the main operational platforms used by the Group are developed in-house and maintained by the Group. This technology requires maintenance and supervision and substantial investments.

There is a risk that prolonged network failure or server downtime, cyber-attacks such as malware or ransomware attacks or other disruptions or failures in the Group's IT systems could occur, which would have a negative impact on the Group's operations. Failure in the Group's IT systems, or failure by the Group's third party IT-suppliers to meet their obligations towards the Group, could cause transaction and credit assessment errors as well as impact the Group's backup or disaster recovery systems, which could disrupt the Group's operations materially and adversely affect the Group's business. Any temporary or permanent loss of the Group's ability to use its computer equipment and software systems, or any disruption to or loss of data could disrupt the Group's operations, resulting in increased capital expenditure and insurance and operating costs. In addition, there is a risk that the aforementioned IT failures cause unauthorised disclosure of confidential customer information, which would result in customer or counterparty claims, administrative fines and reporting obligations under for example applicable data protection laws as well as reputational damage. Should any of the above risks materialise, it could have a material adverse effect on the Group's cash flow, margins and profits which could ultimately affect the Issuer's ability to make payments under the Bonds.

Risks related to reputational damage and public perception

Reputational risk is the risk that an event or circumstance could adversely impact the Group's reputation. Adverse publicity from the activities of legislators, pressure groups and the media could potentially have a detrimental impact on the Group's business. The Group is exposed to the risk that negative publicity may arise, for example, on the basis of real or perceived abusive collection practices in relation to its acquired debt portfolios and consumer loans, which may tarnish the Group's reputation in the market. Negative publicity may negatively affect existing relationships with vendors of debt portfolios and the Group's ability to establish new relationships with other vendors of debt. In addition, negative publicity could cause debtors to be more reluctant to pay their debts or to pursue legal action against the Group or cause regulators and authorities to form a more negative view, regardless of whether those actions are warranted. These actions could impact the ability to collect on the Group's acquired debt portfolios and may have an adverse effect on the Group's business, results of operations or financial condition and the Issuer's ability to make payments due under the Bonds.

In addition, consumer protection bodies, consumer advocacy groups, media reporting etc. have initiated and advocated action to prohibit or restrict consumer lending. Such efforts have in particular focused on lenders that target customers who have short-term liquidity needs and, in many cases, low levels of personal savings and income, and lenders charging consumers imputed interest rates and fees. Although the Group does not target such customers, there is a risk that the Group could be adversely affected by negative publicity associated with such business operators carried out by competitors to the Group. There is also a risk that future restrictive measures are designed to target the consumer lending activities carried out by the Group, which could force the Group to make changes to its business model in this regard.

Further, the financial services industry is often subject to public debate and controversy, for example in relation to its work to combat money laundering or terrorist financing. There is a risk that the general public debate regarding the financial services industry in general may adversely affect the perception of the Group.

Lastly, reputational damage could also impair the Group's access to funding by way of affecting the perception of future external creditors or investors in the Group, which could have a material adverse effect on the Group's financial situation.

Risks related to consumer lending business line

The Group's consumer lending business segment, which is carried out by the Group Companies Wonga, Novum and RoCapital IFN S.A., accounted for 9 per cent. of the Group's total revenue during the financial year 2022) and the Group's consumer loans carrying value amounted to approximately EUR 79 million in aggregate as of 31 December 2022.

The ability to assess customers' creditworthiness constitutes an integral part of the Group's consumer lending operations, and the Group relies on its ability to correctly analyse and score potential customers' creditworthiness. Prior to issuing a consumer loan, the Group makes an assessment of the customer's ability to repay the loan, including among other things the potential borrower's income, existing indebtedness and past behaviour. A sensitivity analysis is also conducted to ensure that the borrower has a sufficient margin for the amortisations and payment of interest. The Group's credit assessment routines follow specific internal guidelines established by the Group's upper management.

Consequently, an accurate assessment of creditworthiness is key to maintaining profitability within the consumer business segment. There is a risk that the Group's credit policies and credit assessments may prove to be incorrect. This could be due to factors such as internal failure in relation to risk management or that the Group's technical platforms experience business interruptions or other technical failures. If any estimates in relation to customers' creditworthiness prove incorrect, customer default rates may increase, or loans extended may be incorrectly priced, which would increase the Group's credit losses and decrease net income and in turn negatively affect the Group's financial position and the Issuer's ability to make payments under the Bonds.

As described in the risk factor "*Risks relating to regulatory requirements and compliance*" below, there is a risk that legal or regulatory changes could complicate the Group's creditworthiness assessment process as well as changes that could negatively affect the Group's ability to collect on debts, including in relation to the Group's consumer lending operations. As further describe in the above risk factor, there are currently law changes, which, among others, entail limits on the cost of credit taken out from lenders in relation to consumer loans in Poland.

Should the recovery rates under the Group's consumer loans be substantially less than what the Group has expected, e.g. due to failures in the Group's creditworthiness assessments or increased legal or regulatory burdens being imposed on the Group or should the amount of interest or other fees taken out form the Group's consumer debtors decrease due to legal or regulatory changes, or should the nominal value of sold loans be lower, there is a risk that the Group's margins and cash flow would decrease, which could have a material adverse effect on the Group's financial position and the Issuer's ability to make payments under the Bonds.

Risk relating to recruitment and retention of qualified personnel and upper management

Attracting, motivating and retaining qualified personnel is crucial to the Group's future business and success. Given the high degree of digitalisation within the Group's operations, the Group is especially dependent on recruiting and retaining qualified IT specialists and qualified personnel within debt analysis. In addition, the Group is dependent on certain existing members of its upper management whom the Issuer deem to be crucial for maintaining and improving the Group's ability to acquire attractive debt portfolios and ability to procure financing. In order to attract, motivate and retain key employees, including the existing members of the upper management, the Group may need to increase the remuneration paid to these individuals, with increased costs for the Group as a result, which would have a negative effect on the Group's profits. If the Group cannot attract and retain qualified personnel or its upper management in the future, it could have a negative effect on the Group's future prospects, entailing lower future sales revenues and a decreased cash flow, which in turn could have a material negative effect on the Issuer's ability to make payments under the Bonds.

The Issuer considers that the probability of the above risk occurring is low. If the risk would materialise, the Issuer considers the potential negative impact to be medium.

Risks relating to the Group's financial situation

Financing risks

Financing risks implies that essential financing cannot be obtained at all, or that it only can be obtained on unfavourable terms to the Group or at significantly increased costs. The Group's acquisitions of debt portfolios are financed mainly through bond loans and loans from banks and other financial institutions. As of 31 December 2022, the Group's interest bearing financial indebtedness (i.e. bond loans and loans from banks and credit institutions) amounted to approximately EUR 828 million, of which approximately EUR 295 million consisted of bond loans and approximately EUR 533 million consisted of loans from banks and credit institutions. As of 31 December 2022, the Group's interest bearing financial indebtedness, approximately 4 per cent. matures in 2023, 6 per cent. matures in 2024, 10 per cent. matures in 2025 and 80 per cent. matures in 2026 or later. There can be no assurance that the Group will be able to incur additional debt in order to carry out further debt portfolio acquisitions. There is also a risk that the Group fails to deliver on its policy, i.e. that all of the Group's financings shall be repaid by the cash flows from the Group's assets, and should this occur, the Group would be unable to refinance its financing at maturity due to the reasons described above. This policy may also be changed in the future.

In certain cases, the Group's financial agreements contain specific obligations for the Issuer and/or the Group to, inter alia, maintain a certain maximum ratio between net indebtedness and cash EBITDA. The creditors under such financing may be entitled to request repayment of such financing prior to its maturity date or request changes to the applicable loan terms if the Group does not meet these specific covenants. If such a repayment request is made, it could have an adverse impact on the Group's financial position and liquidity situation which could have a material adverse effect on the Issuer's ability to make payments under the Bonds. The Group's ability to obtain additional financing and, if it becomes necessary refinance its outstanding debt obligations successfully at maturity by other means than the Group's cash flow, depends on the debt market conditions and the Group's financial positions at the relevant point in time. There is a risk that the Group may not be able to obtain necessary financing, or may only be able to obtain necessary financing on unfavourable terms or at substantially increased costs in the future.

If the Group is unable to obtain new financings and/or, if necessary, refinance its outstanding debt obligations at a reasonable price or at all, it could prevent the realisation of its plans of continued acquisitions of debt portfolios, which could result in the Group having to forgo opportunities that may arise in the future and/or negatively affect the profit margins under debt portfolio actually acquired. This could have a negative effect on the Group's future prospects and future revenue, cash flow and profit margins, which in turn could have a material adverse effect on the Issuer's ability to make payments under the Bonds. This risk is enhanced by the effect on the availability of financing that the war in Ukraine and the currently high inflation rates have had and is currently having.

Interest rate risk

As pointed out in the risk factor “*Financing risk*” above, the Group’s interest bearing financial indebtedness (i.e. bond loans and loans from banks and credit institutions) amounted to approximately EUR 828 million as of 31 December 2022, of which 61 per cent. is subject to fixed interest rate or is subject to hedging arrangements, and 39 per cent. is subject to floating interest rates and is not subject to any hedging arrangements. Since 39 per cent. of the Group’s interest bearing financial indebtedness runs with floating interest rates connected to either WIBOR or EURIBOR and are not subject to any hedging arrangements, the Group’s interest rate levels are affected by underlying market rates. Interest rates have historically fluctuated due to, and are in the future likely to be affected by, a number of different factors such as macroeconomic factors, inflation expectations and monetary policies. Furthermore, the current high inflation has prompted central banks throughout the world, including the National Bank of Poland (PL. *Narodowy Bank Polski*), to increase interest rates and further interest rate increases may be implemented in the near future. Thus, changes in the interest rates during 2022 have led, and can also in the future lead, to increased interest expenses for the Group. For example, based on the amount of interest bearing debt and hedging arrangements as of 31 December 2022, an increase in the interest rate by 1.00 percentage point would increase the Group’s net annual interest expenses by approximately EUR 3.2 million. Should this risk materialise, it could have an adverse effect on Group’s profit and financial position as its profit margins would decrease accordingly which in turn could have an adverse effect on the Issuer’s ability to make payments under the Bonds.

Currency risks

Currency risk means the risk of exchange rate fluctuations affecting the Group’s financial position negatively. The Group’s investments in debt portfolios are to a significant extent denominated in foreign currencies. If such investments are financed by debt denominated in another currency (primarily PLN or EUR) it could result in a mismatch between the currency of the financing proceeds and the currency of recoveries under the relevant debt portfolio if the Group’s hedging arrangements proves insufficient. This gives rise to a risk that the Group may incur additional costs related to currency conversion or the Group’s liquidity may deteriorate due to adverse changes in foreign exchange rates. As an illustrative example, a 10.00 per cent. increase in the exchange rate between the EUR, RON, CZK and PLN exchange rates during the financial year 2022, would have affected the Group’s consolidated profits for the financial year 2022 by 12 per cent. Thus, significant changes in exchange rates in relation to foreign currencies may have negative effects on the Group’s earnings, financial position and cash flow.

The Group is also subject to currency translation risks, meaning that fluctuations in the value of foreign currencies in relation to the relevant domestic currencies will negatively affect the amount of any items in the Group’s consolidated financial statements, even if their value has not changed in the original currency. This could in turn have an adverse effect on the Group’s reporting in terms of financial position.

Legal, regulatory and macroeconomic risks

Risks relating to regional or global macroeconomic conditions

The Group is a pan-European financial player with its core business within debt management and with operations in Poland, Romania, Italy, Spain, Czech Republic, and Slovakia and with assets owned in Germany. The Group’s financial performance is subject to global and, in particular, European macroeconomic conditions, whereby a variety of factors may affect the ability of its debtors to fulfil its payment obligations towards the Group. Such factors, which may mutually affect one another, include, among others, the performance and volatility of capital markets, household’s disposable income, consumer confidence and spending, interest rates, unemployment, inflation and cost of living. Such factors may in turn be affected by, among other things, geopolitical tensions and public policy decisions. As of the date of these risk factors, macroeconomic factors such as lock down restrictions imposed in relation to the Covid-19 pandemic, the war in Ukraine, the high inflation during 2022 and 2023 as well as the increased interest rates put in place by central banks to combat such inflation has been affecting the financial state of businesses and households globally, and it is expected to continue to do so for some time to come. A deterioration in macroeconomic conditions and/or if such macroeconomic factors described above continue to affect the financial state of businesses and households could also negatively impact the overall quality of debt portfolios available for purchase by the Group.

Risks relating to regulatory requirements and compliance

The Group is subject to a comprehensive and complex array of regulations in the various jurisdictions in which the Group operates (primarily Poland, Romania, Italy, Spain, Czech Republic, Slovakia and Germany) which aim to ensure enhanced risk management among financial institutions and fair debt collection practises. Such regulatory requirements include, among other things, license requirements and restrictions on co-operations with external parties, e.g. partners and general consumer and consumer debtor protection legislation. The variety of the legal framework results in legal and regulatory risks. In order to be compliant with rules and regulations to which the Group is subject, the Group relies on continuous monitoring of the legal framework and its impact assessment on the Group's operations in various jurisdictions in which the Group operates. There is a risk that the Issuer will not be in compliance with all rules, regulations, policies and guidelines at all times. Some failures may also, in whole or in part, be due to circumstances outside of the Group's control.

Should the Group fail to be in compliance with applicable law, it could result in claims from customers, counterparties as well as administrative action and/or fines. Regulatory breaches could also result in significant reputational harm. Where the Group seeks to expand its operations into new segments and geographies, there is a risk that the Group fails to address new or additional legal requirements in a timely or accurate manner. Legal requirements for initiating debt collection and lending businesses may differ significantly across different jurisdictions, for instance with respect to license requirements. Failure to comply with local legal requirements may have a significant material adverse effect on the Group's business, reputation and future prospects. Such failure may also result in unforeseen or additional costs, which would adversely affect the Group's results of operation.

Serious or systemic deviations by the Group from applicable rules and regulation, some of which have been described above, could lead to relevant competent authorities taking restrictive measures or issuing fines, which in turn would have a material adverse effect on the Group's ability to conduct its business and would adversely affect the Group's financial position and future prospects and may have material adverse effect on the Issuer's ability to make payments under the Bonds.

The Group may also be subject to material changes in applicable laws and regulations, and the Group must therefore be able to quickly assess and adapt to changes in its legal and regulatory environment in order to ensure compliance. For example, there are currently several law proposals within the field of debt collection in the jurisdictions in which the Group operates that, if adopted, would entail inter alia license requirements and additional administrative burdens in Poland in order to be able to carry out the Group's debt collection operations as well as added complexity in relation to amicable debt collection in Italy and Spain. There are also proposals within the field of consumer lending that, if adopted, would entail inter alia additional rules for assessing creditworthiness in Poland.

Tax risks

The Group's business and transactions are conducted in accordance with its interpretation of applicable laws, tax treaties, regulations, case law and requirements of tax authorities. There is a risk, enhanced by the Group's cross-border operations whereby it deals with multiple tax jurisdictions and different regulators, that the Group's or its advisors' 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.

The Group Companies have entered and will continue to enter into transactions as related parties. Even if such transactions have been carried out at arms' length terms, there be no assurance that the transactions will not be challenged by relevant tax authorities, which could result in higher tax liabilities of the Group.

The Group's tax situation for previous, current and future years may change as a result of legislative changes, such as the potential changes described above, decisions made by the tax authorities or as a result of changed tax treaties, regulations, case law or requirements of the tax authorities. Such decisions or changes could have an adverse effect on the Group's results of operations and financial condition.

Data protection and privacy laws

The Group's operations require the processing of personal data that is provided to the Group by creditors who have decided to commission debt collection activities to the Group or to assign their receivables to the Group. This means that the Group, in accordance with applicable agreements, generally obtains customer data from third parties. It cannot be ruled out that these data may occasionally not be fully correct. If incorrect data is transferred to or used by the Group, there is a risk that it may relate to a person other than the actual debtor, which may potentially lead to an increase in the number of complaints or grievances registered with the authority which supervises the personal data processing. In addition, due to the fact that personal data is processed in many processes and on a large scale, human errors or system failures may occur. This may lead to a breach of personal data protection, including their leakage, change or loss.

Such types of failures could entail a breach of Regulation (EU) 2016/679, the General Data Protection Regulation ("GDPR") or other applicable privacy laws and could therefore result in fines amounting to a maximum of EUR 20,000,000 or 4.00 per cent. of the Group's global turnover (whichever is higher). Failure to comply with the requirements could also result in private claims from the relevant individual. A failure by the Group to comply with the requirements under the GDPR may thus have a moderate to material adverse impact on the Group's business and results of operation, as well as result in reputational damage, especially due to the magnitude of the Group's processing of personal data. If any of the above risks were to materialise, it could have a moderate to material adverse effect on the Group's costs and margins and ultimately the Issuer's ability to make payments under the Bonds.

Money laundering and terrorist financing

The potential risk that a financial institution's services are used for money laundering or terrorist financing has attracted significant attention and media coverage in the past. Criminal activity in the financial services industry has been increasingly uncovered in recent years with large fines and other administrative actions being taken as a result. Counteracting money laundering and terrorist financing is a highly prioritised area within the EU and the regulatory framework in this area is constantly evolving. The applicable legal framework has become stricter and several supervisory authorities have devoted significant resources towards investigation of financial entities' compliance and work with anti-money laundering ("AML") and counter-terrorist financing ("CTF") regulations. The Issuer and certain other Group Companies are subject to AML and CTF regulations including regulations issued by the competent authorities in the jurisdiction in which the relevant Group Company operates. The relevant Group Companies are obliged to implement comprehensive internal measures for customer due diligence, monitoring of customers and transactions as well as reporting of suspicious transactions. The requirements are detailed and the relevant Group Companies may need to allocate substantial resources in order to comply with the external requirements as well as to maintain internal routines and guidelines for managing day-to-day operations. There is a risk that the relevant Group Companies' procedures, internal control measures and guidelines to comply with AML and CTF requirements are insufficient or inadequate. There is also a risk that new or increased requirements will affect or restrict the relevant Group Companies' operations, or require the Group to further adapt its existing practices and procedures and allocate additional resources to manage compliance.

Breaches of applicable AML and/or CTF regulation could result in comprehensive investigations, remarks or warnings and/or significant administrative fines being imposed by the relevant competent authorities, which would have a material adverse effect on the Group's overall costs, or even withdrawal of necessary operating licences for the relevant Group Company, which would have a material adverse effect on the Group's revenues from its consumer lending operations.

Dependency on other Group Companies

The vast majority of the Group's cash-generating operations are carried out by the Issuer's operational direct and indirect subsidiaries (i.e. other Group Companies). As the Issuer's ability to make payments under the Bonds is largely dependent on other Group Companies' ability to transfer available funds to the Issuer in order to enable it to be make payments of interest or any other payments under the Bonds.

The other Group Companies are distinct and legally separate entities in relation to the Issuer and have, save for contractual obligations, no obligation to fulfil the Issuer's obligations with regard to its creditors or to make funds available for such payments. Allocation of funds within the Group is mainly carried out through upwards distributions, redemption of shares, redemptions of investment certificates and other value transfers to the Issuer. There is a risk that such funds might be non-distributable, restricted or prohibited by legal and contractual requirements applicable, including the relevant Group Companies' own financing arrangements. If the other Group Companies do not generate liquidity or are prevented from distributing funds to the Issuer, there is a risk that the Issuer cannot pay its payment obligations under the Bonds as they fall due, including the repayment of the Bonds at maturity. This could in turn have a material adverse effect on the bondholders' prospects of receiving payments under the Bonds.

RISKS RELATING TO THE BONDS

The nature of the Bonds

Unsecured obligations

The Bonds constitutes unsecured debt obligations of the Issuer. If the Issuer would be subject to any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, the holders of Bonds (the "**Holder**s") normally receive payment after any prioritised creditors of the Issuer including those which are mandatorily preferred by law, have been paid in full. Further, following prioritised creditors receiving payment in full, the Holders will have an unsecured claim against the Issuer for the amounts due under or in respect of the Bonds, which means that the Holders normally would receive payment pro rata with other unsecured creditors of the Issuer.

Preferential claims on members of the Group

The Group has, as part of its financing, incurred interest bearing financial indebtedness to banks, credit institutions and other lenders, and in relation thereto provided security over certain assets. Such secured debt normally constitute a preferential claim on the relevant member of the Group. Subject to the provisions set out in the Terms and Conditions, the Issuer or any member of the Group may retain, provide or renew security over certain of its current or future assets in relation to existing debt or in relation to new financing in which case such security interests normally constitute a preferential claim on the relevant member of the Group as borrower and/or security provider. In case of any foreclosure, dissolution, winding-up, liquidation, bankruptcy or other insolvency proceedings, such preferential claims on members of the Group could have a negative impact on the Holders' recovery under the Bonds.

Interest rate risks and benchmarks

The Bonds' value depends on several factors, one of the more significant over time being the level of market interest. The Bonds bears a floating rate interest of EURIBOR plus a certain margin and the interest rate is therefore adjusted for changes in the level of the general interest rate. Hence, there is a risk that increased general interest rate levels significantly affect the market value of the Bonds.

The determining interest rate benchmarks, such as EURIBOR has been subject to regulatory changes such as 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**"). The implementation of the BMR will lead to that certain previously used benchmarks, including EURIBOR, will be discontinued. In accordance with the terms and conditions of the Bonds (the "**Terms and Conditions**"), EURIBOR may be replaced following certain events, e.g. if EURIBOR ceases to be calculated or administrated (defined in the Terms and Conditions as a Base Rate Event). Increased or altered regulatory requirements and risks associated with a replacement of EURIBOR following a Base Rate Event involve inherent risks, as the effects cannot be fully assessed at this point in time which could result in an adverse negative effect on an investment in the Bonds.

Events of defaults and put options

The Terms and Conditions does not in all regards contain customary terms in line with what could be considered market standard for Nordic high yield bonds. For example, the Terms and Conditions have a narrower list of potential events of default, where some events of default, other than (among others) in relation to non-payment and failure to meet the maintenance test, is conditional on the default having a material adverse effect. In addition, the Terms and Conditions does not contain any right for the Holders to accelerate the Bonds or exercise any right of prepayment (put option) of its Bonds if the Bonds are not listed on a regulated market. There is a risk that unfavourable events will take place and/or that the Issuer will act in breach of the clauses in the Terms and Conditions in way that is unfavourable from the Holders' perspective, but that the Holders will be unable to accelerate the Bonds or exercise a put option in cases where the Holders might expect to be able to do so. Hence, if a Holder does not carefully read the Terms and Conditions, there also a risk that such Holder does not invest in the Bonds at the intended risk premium.

Certain provisions of the Terms and Conditions may not be effective under the Polish Bankruptcy Law

Under the Polish Act dated 28 February 2003 – Bankruptcy Law provisions of an agreement reserving the right to terminate or amend the legal relationship created under that agreement upon filing a bankruptcy petition concerning the debtor or upon the debtor being declared bankrupt, are void. Therefore, any provision in the Terms and Conditions, which provides for an early termination, acceleration or amendment of the legal relationship with the Issuer created under the Terms and Conditions upon filing a bankruptcy petition concerning the Issuer or the Issuer being declared bankrupt, may not be effective against the Issuer.

The amount of interest to be paid under the Bonds may be capped pursuant to Polish Law

Polish law provides for the maximum amount of interest which parties can charge in transactions under certain circumstances and in relation to certain securities. The maximum annual interest rate is:

- (i) in the case of regular interest, two times the statutory interest rate (i.e. the reference rate announced by the National Bank of Poland plus 3.5 percentage points); and
- (ii) in the case of default interest, two times the default statutory interest rate (i.e. the reference rate announced by the National Bank of Poland plus 5.5 percentage points).

The above interest rate caps apply regardless of the foreign law chosen by the parties to govern the transaction. If the interest rate payable by the Issuer pursuant to the Terms and Conditions would, due to changes in the underlying reference rate (initially EURIBOR), increase to a higher amount than what would be permitted under Polish law, any interest under the Bonds in excess thereof would in such case not be payable and would not become payable in the future or increase the nominal amount of the Bonds in any way. Hence, there is a risk that maximum interest provisions under Polish law would decrease the interest payments to the Bondholders.

Admission of the Bonds to trading on a regulated market

Illiquid markets

There is a risk that the Bonds will not be admitted to trading and even if the Bonds are admitted to trading, there can be no assurance that active trading in the Bonds will occur and there is a risk that there will not be a liquid market for trading in the Bonds or that the market will be maintained even if the Bonds are listed. This may result in that the Holders cannot sell their Bonds when desired or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market. It should also be noted that during a given time period it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

THE BONDS IN BRIEF

This section contains a general and broad description of the Bonds. It does not claim to be comprehensive or cover all details of the Bonds. Potential investors should therefore carefully consider this Prospectus as a whole, including the documents incorporated by reference, and the full Terms and Conditions for the Bonds included under Section “*Terms and Conditions for the Bonds*”, before a decision is made to invest in the Bonds.

General

Issuer	KRUK S.A. Polish reg. no. 0000240829
Resolutions, authorisations and approvals	The Issuer’s Management Board resolved on the framework of the Bonds on 13 March 2023 and resolved on the initial amount of the Bonds on 25 April 2023.
The Bonds offered.....	EUR 150,000,000 in an aggregate principal amount of senior unsecured callable floating rate bonds due 10 May 2028.
Nature of the Bonds	The Bonds constitute debt instruments (Sw. <i>skuldförbindelser</i>), each for the Nominal Amount, issued by the Issuer under these Terms and Conditions and under the same ISIN.
Number of Bonds	As of the date of this Prospectus, 1,500 Bonds have been issued. A maximum of 3,500 Bonds may be issued under the Terms and Conditions. Only Bonds that have been issued at the date of approval of the Prospectus may be admitted to trading based on the Prospectus.
ISIN.....	NO0012903444.
Issue Date.....	10 May 2023.
Price	The Bonds issued on 10 May 2023 were issued at an issue price of 100.00 per cent. of the Nominal Amount.
Interest Rate	<p>Interest on the Bonds is paid at a rate equal to the sum of (i) the Base Rate, initially three (3) months EURIBOR, plus (ii) 650 basis points <i>per annum</i>, as adjusted by any application of Clause 18 (<i>Replacement of Base Rate</i>) in the Terms and Conditions. Interest will accrue from, but excluding, the First Issue Date or any Interest Payment Date and ending on (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).</p> <p>Upon the occurrence of a Listing Failure Event in any Interest Period, the Interest Rate on the Bonds shall be increased by one hundred (100) basis points per annum with effect from (and including) the next succeeding Interest Period after the date of the Listing Failure Event up to (but excluding) the next succeeding Interest Period after the date such Listing Failure Event has been remedied or waived. If the Listing Failure Event occurs and is remedied or waived during the same Interest Period, the Interest Rate on the Bonds shall not be increased.</p> <p>The Interest Rate shall in any case be subject to the application of Clause 10.2 for as long as any Mandatory Interest Event is outstanding.</p>
Listing Failure Event.....	Means a situation where:

- (a) the Initial Bonds have not been admitted to trading on any Regulated Market or MTF one (1) Business Day before Record Date for the first Interest Payment Date (being 7 August 2023);
- (b) the Initial Bonds have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within twelve (12) months after the First Issue Date;
- (c) any Subsequent Bonds have not been admitted to trading on the same Regulated Market and/or MTF within ninety (90) calendar days after the relevant Issue Date, unless, in relation only to any Regulated Market, the Subsequent Bonds are issued before the date falling twelve (12) months after the First Issue Date in which case such Subsequent Bonds shall be admitted to trading on the same Regulated Market within the later of (i) twelve (12) months after the First Issue Date and (ii) the date falling ninety (90) calendar days after the relevant Issue Date; or
- (d) any Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market or MTF, cease to be admitted to trading thereon (however, taking into account the rules and regulations of the relevant Regulated Market or MTF and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds), provided that the Bonds may be delisted from an MTF in connection with the admission to trading of the Bonds on a Regulated Market.

Use of benchmark	Interest payable for the Bonds issued under the Terms and Conditions is calculated by reference to EURIBOR. As of the date of this Prospectus, the administrator (being European Money Markets Institute) appear in the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of the regulation (EU) 2016/1011 (the Benchmark Regulation).
Interest Payment Dates.....	Quarterly in arrears on 10 February, 10 May, 10 August and 10 November 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 (with the first Interest Payment Date being on 10 August 2023 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).
Final Redemption Date	10 May 2028.
Nominal Amount.....	The initial nominal amount of each Bond is EUR 100,000 and the minimum permissible investment upon issuance of the Bonds was EUR 100,000.
Denomination.....	The Bonds are denominated in EUR.
Status of the Bonds	The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least <i>pari passu</i> with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.

Use of Proceeds..... The net proceeds from the initial issue of Bonds (and any subsequent issues of bonds) shall be applied towards general corporate purposes (including investments, capital expenditures, acquisitions and repayment of revolving credit facilities) of the Group.

Call Option

Call Option..... The Issuer may redeem all or part, of the Bonds on any Business Day falling on or after the First Issue Date up to (but excluding) the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest, in accordance with Clause 11.3 (*Early voluntary total redemption (call option)*) of the Terms and Conditions, the Call Option Amount being:

- (a) an amount equivalent to the sum of (i) 103.25 per cent. of the Nominal Amount of the redeemed Bond and (ii) the remaining interest payments of the redeemed Bond to, but not including, the First Call Date, if the call option is exercised on or after the First Issue Date to, but not including, the First Call Date;
- (b) 103.25 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the First Call Date to, but not including, the date falling forty-two (42) months after the First Issue Date;
- (c) 102.275 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling forty-two (42) months after the First Issue Date to, but not including, the date falling forty-eight (48) months after the First Issue Date; and
- (d) 101.30 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling forty-eight (48) months after the First Issue Date to, but not including, the date falling fifty-four (54) months after the First Issue Date; and
- (e) 100.65 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling fifty-four (54) months after the First Issue Date to, but not including, the Final Redemption Date.

No partial redemption may be made by the Issuer if the total aggregate outstanding Nominal Amount of the Bonds as a result of such redemption would be lower than EUR 100,000,000 unless the Bonds are redeemed in full.

Put Option

Put Option Upon the occurrence of a Change of Control Event or a De-listing Event, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) Business Days following a notice from

	the Issuer of the Change of Control Event or De-listing Event (as applicable) pursuant to paragraph (a)(i) of Clause 12.4 (<i>Information: miscellaneous</i>). The fifteen (15) Business Days' period may not start earlier than upon the occurrence of the relevant event.
Change of Control Event.....	A Change of Control means if any person or group of persons acting in concert (other than Polish retirement funds (<i>Pol. "otwarty fundusz emerytalny", "OFE"</i>), their legal successors or entities directly or indirectly owned by the Polish State Treasury) gaining Decisive Influence over the Issuer.
De-listing Event	A De-listing Event means a situation where the shares of the Issuer are not listed on the Warsaw Stock Exchange or another Regulated Market.

Undertakings

Certain undertakings	<p>The Terms and Conditions contain a number of undertakings that restrict the ability of the Issuer and other Group Companies, including, among others:</p> <ul style="list-style-type: none"> • restrictions on making distributions; • restrictions on incurring financial indebtedness and providing security; • restrictions on providing financial support; • restrictions on disposal of assets; • compliance with the Maintenance Test; • restrictions on making any substantial changes to the general nature of the business carried out by the Group; and • restrictions on dealings with related parties.
----------------------------	--

Each of these covenants is subject to significant exceptions and qualifications. See the Terms and Conditions of the Bonds for more information.

Miscellaneous

Transfer restrictions	The Bonds are freely transferable. The Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds under local laws to which such Bondholder may be subject (due to, <i>e.g.</i> , its nationality, its residency, its registered address or its place(s) of business). The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the " U.S. Securities Act "), and are subject to U.S. tax law requirements. The Bonds 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, except for "Qualified Institutional Buyers" (" QIB ") within the meaning of Rule 144A under the U.S. Securities Act.
Credit rating	On 17 April 2023, the Bonds were assigned with the credit ratings <i>Ba2</i> from Moody's Investor Services Limited and <i>BB-</i> from Standard & Poor's Rating Services. Moody's Investor Services Limited and Standard & Poor's Rating Services are credit rating agencies established within the EU and registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

Admission to trading	Application for admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm will be filed in connection with the Swedish Financial Supervisory Authority’s approval of this Prospectus. The earliest date for admitting the Bonds to trading on Nasdaq Stockholm is on or about 29 June 2023. The total expenses of the admission to trading of the Bonds are estimated to amount to approximately SEK 250,000. Only Bonds that have been issued as of the date of approval of the Prospectus may be admitted to trading based on the Prospectus.
Representation of the Bondholders	<p>Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, is acting as Agent for the Bondholders in relation to the Bonds and any other matter within its authority or duty in accordance with the Terms and Conditions.</p> <p>By acquiring Bonds, each subsequent Bondholder 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. The Terms and Conditions are available at the Agent’s office address, Norrlandsgatan 23, SE-111 43 Stockholm, Sweden, during normal business hours as well as at the Agent’s website, www.nordictrustee.com.</p>
Governing law	The Bonds are governed by Swedish law.
Time-bar	The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be time-barred 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 Bondholders’ right to receive payment has been time-barred and has become void.
Clearing and settlement	The Bonds are connected to the account-based system of Verdipapirsentralen ASA (“VPS”), Norwegian reg. no. 985 140 421, Postboks 1174 Sentrum, 0107, Oslo, Norway. This means that the Bonds are registered on behalf of the Bondholders on a securities account (Sw. <i>VP-konto</i>). No physical Bonds have been or will be issued. Payment of principal, interest and, if applicable, withholding tax will be made through VPS’s book-entry system.
Paying agent	The Issuer has appointed Arctic Securities AS (reg. no. 991125175) as paying agent to establish and manage the Issuer’s account in the VPS’s book-entry system in accordance with Norwegian law, to register the Issuer’s issues of Bonds in the VPS’s book-entry system and assist the Issuer with payments of interest and principle in respect of such Bonds.
Risk factors	Investing in the Bonds involves substantial risks and prospective investors should refer to Section “ <i>Risk Factors</i> ” for a discussion of certain factors that they should carefully consider before deciding to invest in the Bonds.

DESCRIPTION OF THE ISSUER AND THE GROUP

Overview of the Issuer

Legal and commercial name.....	KRUK S.A.
Corporate reg. no.	0000240829
LEI-code.....	259400T1FZYBIW8XUJ78
Date and place of registration....	Registered on 3 May 1998 as a limited liability company and as a joint stock company on 7 September 2005, with the National Court Register kept by the District Court for Wrocław-Fabryczna in Wrocław, 6th Commercial Division of the National Court Register Wrocław, Poland
Date of incorporation	Incorporated as a limited liability company on 21 April 1998 and transformed into a joint stock company on 7 September 2005
Legal form.....	Polish joint stock company.
Jurisdiction and laws	The Issuer is registered with the National Court Register kept by the District Court for Wrocław-Fabryczna in Wrocław, 6 th Commercial Division of the National Court Register, and operates under the laws of Poland including, but not limited to, the Commercial Companies Code and other laws applicable to commercial law companies, as well as under the provisions of its Articles of Association and other internal regulations
Registered office	Wrocław, Poland
Head office and visiting address	St. Wołowska 8, 51-116 Wrocław, Poland
Telephone	+48 71 790 28 00
Website.....	www.en.kruk.eu (the information provided at the Issuer's website does not form part of this Prospectus unless explicitly incorporated by reference into the Prospectus)

History and development

The Issuer was established 1998 in Wrocław, Poland, by two lawyers, Piotr Krupa and Wojciech Kuźnicki. Shortly after its establishment, the Issuer expanded its business profile to include credit management services in response to signals from the market, relating to the increasing scope of client payment problems encountered by the new mobile telephony segment and hire-purchase companies. In early 2000, the Issuer purchased its first debt portfolio in the Polish market. In 2004, a private equity fund represented by Enterprise Investors resolved to invest another USD 10 million in the Issuer. The Issuer continues its development and transforms into a joint-stock company and the Prokura NS FIZ fund is established, one of the first securitisation funds in Poland. Thereafter, the Issuer expanded its operations to the Romanian, Czech Republic and Slovakian markets. During 2014-2015, the Issuer launched its operations in Germany, Italy and Spain. The Group currently comprise of 24 equity-related companies over several geographical market. The Issuer's shares has been listed on the Warsaw Stock Exchange since May 2011. KRUK's development is supported by banking financing through credit facilities as well as through bond issues to institutional and private investors.

Business and operations

Core business and general strategy

The Group's principal business is the management of debt portfolios purchased for the Group's own account.. The Group's primary markets are the markets of unsecured and secured debt to banks in Poland and Romania, as well as unsecured debt to banks in Italy, Spain, the Czech Republic, and Slovakia. The Group also owns and manages assets in Germany through a debt servicing firm. Cumulatively, the Group had purchased debt portfolios with a nominal value of EUR 22,058 million as of 31 December 2022.

KRUK performs debt collection activity using an amicable (out-of-court) collection process (the purpose of which is to recover debt as quickly as possible in cooperation with the client, using the most effective tools) as well as court and enforcement proceedings. The initiation of court proceedings does not exclude the possibility of amicable repayment (i.e. a hybrid process).

The Group's general strategy for 2023 is to continue its business as is and focus on developing existing business lines in its home markets. However, KRUK continuously analyses new markets and it cannot be ruled out that the strategy may change in this regards during the upcoming year(s).

Credit management services and consumer lending

In addition to the management of debt portfolios, the Group further provides credit management services to business partners, banks, telecommunication operators, insurers, and other third parties. The Group offers its credit management services to third parties in Poland, Spain and Italy. The Group also offers consumer lending in Poland and Romania. In Poland, the Group offers short- and medium-term loans on the open market, mainly through online channels under the brand WONGA. Under the brand NOVUM, loans are offered by the Group primarily to the Group's most reliable clients who have a history of regular repayments or who have fully repaid their previous debts to the Group.

As of 31 December 2022, the revenues from purchased debt portfolios, i.e., the principal business line, was EUR 408 million corresponding to 90 per cent. of the Group's total revenues, the revenues from credit management services was EUR 14 million corresponding to 3 per cent. of the Group's total revenues and consumer lending generated revenues of EUR 32 million corresponding to 6 per cent. of the Group's total revenues.

Material agreements

Other than the terms and conditions for the Bonds and as set out below, the Issuer is not party to any material agreements outside the ordinary course of business.

Bonds

KRUK has a long history of issuing unsecured bonds to Polish institutional and individual investors and has issued unsecured bonds in an aggregate nominal amount of EUR 295 million as of 31 December 2022. As of 31 December 2022, the maturity dates varied from 2023 to 2029. The terms and conditions for the bonds contain certain undertakings for the Issuer, including undertakings to maintain a certain level of financial liabilities in relation to the KRUK GROUP's equity or Cash EBITDA.

Credit agreements

The Group has, as borrower, entered into material credit agreements with reputable banks, or a syndicate of reputable banks, as lenders such as, Santander Bank Polska S.A, Getin Noble Bank S.A (currently VELOBANK S.A.), mBank S.A., DNB Bank ASA, ING Bank Śląski S.A., PKO BP S.A., Bank Handlowy w Warszawie S.A, Bank Pocztowy S.A. Powszechna Kasa Oszczędności Bank Polski S.A. and Bank Pekao S.A. in an aggregate amount of approximately EUR 614 million (nominal value available to the KRUK Group under the lines of credit) as of 31 December 2022. The credit agreements contain customary terms, warranties and undertakings as well as provisions entailing that certain changes in ownership may result in the lender having the right to terminate the loans prematurely (so-called change of control provisions). In some cases, the loan agreements also contain financial undertakings regarding, among other things undertakings to maintain an appropriate level of financial liabilities in relation to KRUK GROUP's equity or Cash EBITDA, or a certain level of credit collateral in relation to relevant financial debt.

Overview of the Group

The Issuer is the ultimate parent company of the Group, which consists of the Issuer and its 22 subsidiaries. The vast majority of the Group’s cash-generation operations are conducted through, and the majority of revenues of the Group emanates from, the Issuer’s operational subsidiaries. The Issuer is thus dependent on its subsidiaries, associated companies in order to generate profit and cash flow and to meet its obligations under the Terms and Conditions. The group chart below sets out the general legal structure of the Group as of the date of the Prospectus.



Recent events particular to the Issuer

There have been no recent events particular to the Issuer, which are to a material extent relevant to the evaluation of the Issuer’s solvency.

Material adverse changes, significant changes and trend information

There has been no material adverse change in the prospects of the Issuer since the end of the financial year 2022, ended on 31 December 2022, for which the Issuer has published the annual audited financial report 2022 and there have been no significant changes in the financial position or performance of the Group since the end of the last financial period, being 1 January – 31 March 2023, for the Issuer has published the unaudited quarterly report for the period 1 January – 31 March 2023.

Governmental, legal or arbitration proceedings

Kruk Group has not been party to any regulatory proceedings, legal proceedings or arbitration proceeding (including proceedings which have not yet been settled or which, to the Issuer’s knowledge, are in danger of being

initiated) which may or has recently had a material effect on the Issuer's and/or the Group's financial position or profitability during the previous twelve months prior to the date of approval of this Prospectus by the Swedish Financial Supervisory Authority.

Credit rating

On 13 March 2023, the Issuer was assigned with the credit ratings *Ba1* from Moody's Investor Services Limited and *BB-* from Standard & Poor's Rating Services. Moody's Investor Services Limited and Standard & Poor's Rating Services are credit rating agencies established within the EU and registered in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

OWNERSHIP STRUCTURE

Ownership structure

As of the date of this Prospectus, the Issuer have an issued share capital of PLN 19,318,790.00 divided into 19,318,790 shares. The Issuer's Series A, AA, B, C, D, E, F, G ordinary bearer shares are traded on Warsaw Stock Exchange, with trading symbol KRU and with the ISIN code PLKRRK0000010. The table below sets out the eight largest shareholders of the Issuer as of 10 May 2023.

Shareholders	Share capital (%)	Votes (%)
Nationale-Nederlanden PTE	14.30	14.30
Allianz OFE	12.21	12.21
Piotr Krupa	9.15	9.15
Generali OFE	8.26	8.26
PZU OFE	7.80	7.80
Aegon OFE	5.90	5.90
Others	42.38	42.38

The shareholders' influence is exercised through active participation in the decisions made at the general shareholders' meetings of the Issuer. To ensure that the control over the Issuer is not abused, the Issuer complies with the relevant laws in Poland including among others the Polish Commercial Companies Code. Since the Issuer is listed on the Warsaw Stock Exchange, the Issuer also acts in compliance with the Best Practice for GPW Listed Companies.

Shareholders' agreements

The Issuer is not aware of any shareholders' agreement or any other agreements which could result in a change of control of the Issuer.

THE SUPERVISORY BOARD, MANAGEMENT BOARD AND AUDITORS

General

The division of duties between the Supervisory Board and the Management Board follows Polish law and is set out in internal rules and instructions within the company. According to the Company's articles of association, members of the Supervisory Board shall exercise their rights and discharge their duties in person, and the Supervisory Board shall exercise supervision over each area of the Issuer's operations. The Management Board shall manage the Issuer's business and assets and represent the Issuer before courts, other governmental authorities, and third parties. In addition, the Management Board shall make decisions on all matters concerning the Issuer which do not fall within the exclusive powers of the Supervisory Board or the General Meeting under the Issuer's articles of association or applicable laws or regulations. The Supervisory Board and the Management Board may be contacted through the Issuer at its head office at st. Wołowska 8, 51-116 Wrocław, Poland.

Supervisory Board

The section below presents the members of the Supervisory Board, their position, including the year of their initial election and their significant assignments outside the Issuer, which are relevant for the Issuer.

Members of the Supervisory Board

Piotr Stępiak

Member of the Supervisory Board since 2008 and chairman of the Supervisory Board since 2013.

Other relevant assignments:

Piotr serves on the Board of Directors of BFF Banking Group and as Chair of the Supervisory Board of BFF Polska S.A. Mr Stępiak also chairs the Supervisory Board of Grupa Kęty S.A. and is a member of the Supervisory Board of VRG S.A. and its subsidiary W. Kruk S.A.

Krzysztof Kawalec

Member of the Supervisory Board since 2009 and vice chairman Supervisory Board.

Other relevant assignments:

Krzysztof has served as President of the Management Board of Magellan S.A. since July 1st 2008. Since 2018, he has been President of the Management Board of BFF Polska S.A., member of the BFF Banking Group listed on Borsa Italiana. He also serves as Head of the BFF Bank SpA Branch in Poland. He is a member of the Supervisory Boards of BFF Slovakia s.r.o. and BFF MedFinance s.r.o. operating in Slovakia and the Czech Republic.

Katarzyna Beuch

Member of the Supervisory Board since 2013.

Other relevant assignments:

Since 2020, Katarzyna has been the CFO at Benefit Systems S.A. Ms Beuch has served as Chair of the Audit Committee at ATM Grupa S.A. since 2020 and as member of the Audit Committee of WP Holding S.A. since 2021.

Ewa Radkowska-Świętoń

Member of the Supervisory Board since 2019.

Other relevant assignments:

Ewa is an independent member of the Supervisory Board and the Audit Committee at Ipopema Securities S.A., member of the Capital Market Benchmarks Supervisory Committee at GPW Benchmark S.A. and member of the Risk Committee at KDPW_CCP S.A. Ms Radkowska-Świętoń also serves as President of the Association of Independent

Supervisory Board Members and an expert at the Institute for Sustainable Development and Environment at Lazarski University.

Piotr Szczepiórkowski

Member of the Supervisory Board since 2019.

Other relevant assignments:

Since 2001, Piotr has been President of the Management Board of Commercial Union PTE. Mr Szczepiórkowski sits on the supervisory boards of the following WSE-listed companies: FM Forte S.A., Decora S.A., ZEW Kogeneracja S.A., Octava S.A., and is a Member of the Supervisory Board and Chair of the Audit Committee at Ipopema TFI S.A. and Deputy Chair of the Supervisory Board at Polski Gaz Towarzystwo Ubezpieczeń Wzajemnych na Życie.

Beata Stelmach

Member of the Supervisory Board since 2022.

Other relevant assignments:

Beata is involved in various social outreach initiatives, including economic education of children. She has supported efforts to increase the activity and role of women in economic and social life for many years.

Izabela Felczak-Poturnicka

Member of the Supervisory Board since 2022.

Other relevant assignments:

Izabela is Managing Director of Corporate Affairs at the PZU Group. From January 2017 she served as counsel to the minister responsible for coordinating the work of the Ownership Policy Team at the Ministry of Energy. She is Chair of the Supervisory Board of Polski Holding Nieruchomości S.A. and a member of the Supervisory Board of PZU Zdrowie S.A.

Management Board

The section below presents the members of the Management Board, including the year each person became a member of the Management Board.

Members of the Management Board

Piotr Krupa

President of the Management Board (Chief Executive Officer - CEO) since 2003.

Other relevant assignments:

Since 2006, he has been general partner at the law firm Kancelaria Prawna RAVEN P. Krupa sp.k. He also engages in the promotion of sustainable business environment, climate protection, and civil society. Since 2019 he has chaired the Board of the Wrocław University of Economics and Business. He is also a member of the Programme Board of UN Global Compact Network Poland. He is the founder of the Krupa Gallery. He is engaged in various charitable and philanthropic initiatives, including as the originator of the ‘Zobacz Mnie’ (‘See Me’) Foundation, as well as various aid measures for Ukrainian citizens.

Piotr Kowalewski

Member of the Management Board (Chief Operating Officer - COO) since 2020.

Other relevant assignments:

None.

Urszula Okarma

Member of the Management Board (Chief Investment Officer - CIO) since 2006.

Other relevant assignments:

None.

Michał Zasepa

Member of the Management Board (Chief Financial Officer - CFO) since 2013.

Other relevant assignments:

None.

Adam Łodygowski

Member of the Management Board (Chief Data & Technology Officer - CD&TO) since 2020.

Other relevant assignments:

None.

Conflicts of interests within administrative, management and control bodies

None of the members of the Supervisory Board or the Management Board of the Issuer has a private interest that may be in conflict with the interests of the Issuer.

In the event that such conflict of interest arises at meetings of the Supervisory Board, a board member which has such conflict will abstain from voting for or against the approval of such participation, or the terms of such participation. As far as the Issuer is aware, there are no conflicts of interest as of the date of this Prospectus.

Notwithstanding the above, it cannot be ruled out that other conflicts of interest may arise in the future between companies, in which members of the Supervisory Board or the Management Board of the Issuer have duties, and the Issuer.

Auditor

PricewaterhouseCoopers Polska sp. z o.o. Audyt sp.k. (“**PwC**”) entered in the list of qualified auditors of financial statements under Reg. No. 144, was elected as the Issuer’s auditor at the Supervisory Board meeting held on 18 November 2021 and is the Issuer’s current auditor, with registered auditor Agnieszka Accordi as the auditor in charge. PwC’s office address is ul. Polna 11, 00-633 Warsaw, Poland.

Prior to PwC, KPMG Audyt sp. z o.o sp.k. (“**KPMG**”) entered in the list of qualified auditors of financial statements under Reg. No. 3546, and was the Issuer’s auditor with Magdalena Grzesik as the auditor in charge and office address ul. Inflancka 4A, 00-189 Warsaw, Poland. The change of auditor was due to customary audit rotation.

Both Agnieszka Accordi (number 11665) and Magdalena Grzesik (number 12032) are members of the Polish Chamber of Statutory Auditors.

SUPPLEMENTARY INFORMATION

Information about the Prospectus

This Prospectus has been approved by the Swedish Financial Supervisory Authority as competent authority under Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus.

Investors should make their own assessment as to the suitability of investing in the Bonds.

Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the issuance of the Bonds and the performance of its obligations relating thereto. The issuance of the Bonds on 10 May 2023 was resolved upon by the Management Board of the Issuer, which resolved on the framework of the Bonds on 13 March 2023 and resolved on the initial amount of the Bonds on 25 April 2023.

The Management Board of the Issuer is responsible for the information contained in the Prospectus. The Management Board of the Issuer declares that, to the best of its knowledge, the information contained in the Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.

The Management Board of the Issuer is responsible for the information given in the Prospectus only under the conditions and to the extent set forth in Swedish law.

Information from third parties

Other than the information in the Independent Auditor's Reports for the financial years 2021 and 2022, which have been incorporated in this Prospectus by reference, no information in this Prospectus has been sourced from a third party.

Interest of natural and legal persons involved in the bond issue

Arctic Securities AS, reg. no. 991125175, and DNB Bank ASA, Sweden branch, reg. no. 516406-0161 and their affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Issuer and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of Arctic Securities AS and DNB Bank ASA, Sweden branch and/or its affiliates having previously engaged, or engaging in future, in transactions with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.

Documents available for inspection

Copies of the following documents are available in paper format at the Issuer's head office during the validity period of this Prospectus as well as available in electronic format at the Issuer's website, www.en.kruk.eu.

- The Issuer's statutes of association.
- An extract from the national court register in Poland
- The Group's consolidated audited annual report for the financial year ended 31 December 2021, including the applicable audit report.
- The Group's consolidated audited annual report for the financial year ended 31 December 2022, including the applicable audit report.

FINANCIAL INFORMATION

Historical financial information

The Group's consolidated audited annual reports for the financial years ended 31 December 2021 and 31 December 2022 have been incorporated in this Prospectus by reference. The information incorporated by reference is to be read as part of this Prospectus. Information in the documents below, which has not been incorporated by reference, is not a part of this Prospectus and is either deemed by the Issuer to be irrelevant for investors in the Bonds or is covered elsewhere in the Prospectus.

All financial information in this Prospectus relating to the financial period 1 January–31 December 2021 or as of 31 December 2021 derives from the Group's consolidated audited annual report for the financial year ended 31 December 2021. All financial information in this Prospectus relating to the financial period 1 January–31 December 2022, as of 31 December 2022 or as of year-end 2022 derives from the Group's consolidated audited annual report for the financial year ended 31 December 2022.

Accounting standards

The financial information for the financial years ended 31 December 2021 and 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations that have been issued by IFRS Interpretations Committee (“IFRS IC”) as they have been adopted by the EU. Furthermore, the Group applies the Polish Act on Statutory Auditors, Audit Firms and Public Oversight.

Auditing of the historical financial information

The Group's consolidated audited annual reports for the financial year ended 31 December 2021 have been audited by KPMG with Magdalena Grzesik as the auditor in charge, and the consolidated audited annual report for the financial year 31 December 2022 have been audited by PwC with Agnieszka Accordi as the auditor in charge. Unless otherwise explicitly stated, no other information contained in this Prospectus has been audited or reviewed by the Issuer's auditor.

Incorporation by reference

The following information in the Group's consolidated audited annual reports for the financial years 2021 and 2022 are incorporated in this Prospectus by reference and is available at the Issuer's website, www.en.kruk.eu. For particular financial figures, please refer to the pages set out below.

Reference	Pages
The Group's consolidated annual report 2021	
Consolidated statement of profit or loss	3
Consolidated statement of comprehensive income	4
Consolidated statement of financial position	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7
Significant accounting policies and other notes	8-138
Independent Auditor's Report	Separate document
The Group's consolidated annual report 2022	
Consolidated statement of profit or loss	3
Consolidated statement of comprehensive income	4
Consolidated statement of financial position	5
Consolidated statement of changes in equity	6
Consolidated statement of cash flows	7-8

Significant accounting policies and other notes
Independent Auditor's Report

9-144
Separate document

TERMS AND CONDITIONS FOR THE BONDS

TERMS AND CONDITIONS



KRUK S.A.

EUR 350,000,000

**Senior Unsecured Callable Floating Rate Bonds
2023/2028**

ISIN: NO0012903444

First Issue Date: 10 May 2023

SELLING RESTRICTIONS

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

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), and are subject to U.S. tax law requirements. The Bonds 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, except for “Qualified Institutional Buyers” (“**QIB**”) within the meaning of Rule 144A under the U.S. Securities Act.

PRIVACY STATEMENT

Each of the Issuer, the Agent, the Paying Agent and the Joint Bookrunners may collect and process personal data relating to the Bondholders, the Bondholders’ representatives or agents, and other persons nominated to act on behalf of the Bondholders pursuant to the Finance Documents (name, contact details and, when relevant, holding of Bonds). The personal data relating to the Bondholders 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, the Agent, the Paying Agent and the Joint Bookrunners for the following purposes (i) to exercise their respective rights and fulfil their respective obligations under the Finance Documents, (ii) to manage the administration of the Bonds and payments under the Bonds, (iii) to enable the Bondholders to exercise their rights under the Finance Documents and (iv) to comply with its obligations under applicable laws and regulations.

The processing of personal data by the Issuer, the Agent, the Paying Agent and the Joint Bookrunners in relation to items (i) to (iii) above 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 (iv), the processing is based on the fact that such processing is necessary for compliance with a legal obligation incumbent on the Issuer, the Agent, the Paying Agent or the Joint Bookrunners (as applicable). 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, the Agent, the Paying Agent or the Joint Bookrunners (as applicable). 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, the Agent’s, the Paying Agent’s and the Joint Bookrunners’ addresses, and the contact details for their respective data protection officers (if applicable), are found on their respective websites: www.en.kruk.eu, www.nordictrustee.com, www.arctic.com/secse/en and www.dnb.se.

TABLE OF CONTENTS

Clause		Page
1.	DEFINITIONS AND CONSTRUCTION	1
2.	STATUS OF THE BONDS	15
3.	THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS	16
4.	USE OF PROCEEDS	16
5.	CONDITIONS PRECEDENT	16
6.	THE BONDS AND TRANSFERABILITY	17
7.	BONDS IN BOOK-ENTRY FORM	18
8.	RIGHT TO ACT ON BEHALF OF A BONDHOLDER	18
9.	PAYMENTS IN RESPECT OF THE BONDS	19
10.	INTEREST	20
11.	REDEMPTION AND REPURCHASE OF THE BONDS	21
12.	INFORMATION UNDERTAKINGS	24
13.	FINANCIAL COVENANTS	26
14.	SPECIAL UNDERTAKINGS	26
15.	TERMINATION OF THE BONDS	29
16.	DECISIONS BY BONDHOLDERS	34
17.	AMENDMENTS AND WAIVERS	38
18.	REPLACEMENT OF BASE RATE	40
19.	THE AGENT	43
20.	THE PAYING AGENT	48
21.	THE CSD	49
22.	NO DIRECT ACTIONS BY BONDHOLDERS	49
23.	TIME-BAR	49
24.	NOTICES AND PRESS RELEASES	50
25.	FORCE MAJEURE	51
26.	ADMISSION TO TRADING	51
27.	GOVERNING LAW AND JURISDICTION	52

Schedule		Page
	SCHEDULE 1 CONDITIONS PRECEDENT	53
	SCHEDULE 2 FORM OF COMPLIANCE CERTIFICATE	55

TERMS AND CONDITIONS

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

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

“**Account Operator**” means a bank or other party duly authorised to operate as an account operator and through which a Bondholder has opened a Securities Account in respect of its Bonds.

“**Accounting Principles**” means the international financial reporting standards (IFRS) within the meaning of Regulation 1606/2002/EC (or as otherwise adopted or amended from time to time).

“**Adjusted Nominal Amount**” means the total aggregate Nominal Amount of the Bonds outstanding at the relevant time less the aggregate Nominal Amount of all Bonds owned by a Group Company, an Affiliate of a Group Company or any other person or entity owning any Bonds that has undertaken towards a Group Company or an Affiliate of a Group Company to vote for such Bonds in accordance with the instructions given by a Group Company or an Affiliate of a Group Company, in each case irrespective of whether such Person is directly registered as owner of such Bonds.

“**Advance Purchase Agreement**” means

- (a) an advance or deferred purchase agreement if the agreement is in respect of the supply of assets or services and payment is due not more than one hundred twenty (120) calendar days after the date of supply; or
- (b) any other trade credit incurred in the ordinary course of business.

“**Affiliate**” means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purpose of this definition, “**control**” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Agency Agreement**” means the agreement entered into between the Agent and the Issuer on or prior to the First Issue Date regarding, *inter alia*, the remuneration payable to the Agent or any replacement agency agreement entered into after the First Issue Date between the Issuer and the Agent.

“**Agent**” means the Bondholders’ agent under the Terms and Conditions and, if relevant, the Finance Documents, Nordic Trustee & Agency AB (publ), reg. no. 556882-1879, P.O. Box 7329, SE-103 90 Stockholm, Sweden, or another party (being a reputable company with the necessary resources to act as, and which regularly acts as, agent in respect of market loans) replacing it, as Agent, in accordance with these Terms and Conditions.

“**Base Rate**” means three (3) months EURIBOR or any reference rate replacing EURIBOR in accordance with Clause 18 (*Replacement of Base Rate*).

“**Bond**” means debt instruments (*Sw. skuldförbindelser*), each for the Nominal Amount, issued by the Issuer under these Terms and Conditions, including the Initial Bonds and any Subsequent Bonds, and any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the CSD Regulations from time to time.

“**Bondholder**” means the bondholders under the Bonds.

“**Bondholders’ Meeting**” means a meeting among the Bondholders held in accordance with Clause 16.2 (*Bondholders’ Meeting*).

“**Business Day**” means a day in Norway, Sweden or Poland other than a Saturday, Sunday or other public holiday in Norway, Sweden or Poland on which both the relevant CSD settlement system is open and the relevant currency of the Bonds settlement system is open.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).

“**Call Option Amount**” means:

- (a) an amount equivalent to the sum of (i) 103.25 per cent. of the Nominal Amount of the redeemed Bond and (ii) the remaining interest payments of the redeemed Bond to, but not including, the First Call Date, if the call option is exercised on or after the First Issue Date to, but not including, the First Call Date;
- (b) 103.25 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the First Call Date to, but not including, the date falling forty-two (42) months after the First Issue Date;
- (c) 102.275 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling forty-two (42) months after the First Issue Date to, but not including, the date falling forty-eight (48) months after the First Issue Date;
- (d) 101.30 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling forty-eight (48) months after the First Issue Date to, but not including, the date falling fifty-four (54) months after the First Issue Date; and
- (e) 100.65 per cent. of the Nominal Amount of the redeemed Bond if the call option is exercised on or after the date falling fifty-four (54) months after the First Issue Date to, but not including, the Final Redemption Date.

“**Cash and Cash Equivalents**” means on any date, the aggregate equivalent in EUR on such date of the then current market value of:

- (a) cash in hand or amounts standing to the credit of any current and/or on deposit accounts with a reputable bank; and

- (b) time deposits with reputable banks and certificates of deposit issued, and bills of exchange accepted, by a reputable bank,

in each case to which any Group Company is beneficially entitled at the time and to which any Group Company has free and unrestricted access and which is not subject to any security, except for:

- (i) any Security securing only:
 - (A) any liability included in the Total Net Interest Bearing Debt figure; and/or
 - (B) any revolving credit facilities, which, in each case, if drawn, would also constitute Total Net Interest Bearing Debt,

including in relation to such Total Net Interest Bearing Debt, *inter alia*, all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) together with all interest, costs, charges and other expenses relating thereto; and

- (ii) any Security constituted by a netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements.

“**Cash EBITDA**” means, in respect of the Reference Period or any other period, the aggregate of the operating profit (EBIT) of the Group (calculated on a consolidated basis) (and for the avoidance of doubt taking into account profit sharing agreements to the extent not included as a Financial Indebtedness):

- (a) *minus* revenue from debt portfolios during such period of the Group on a consolidated basis;
- (b) *plus* negative changes in debt portfolio collection estimates during such period of the Group on a consolidated basis unless such changes are already accounted for in revenue under paragraph (a) above;
- (c) *minus* positive changes in debt portfolio collection estimates during such period of the Group on a consolidated basis unless such changes are already accounted for in revenue under paragraph (a) above;
- (d) *plus* recovery from debt portfolios during such period of the Group on a consolidated basis;
- (e) *plus* any losses arising from exceptional items during such period of the Group in an aggregate amount not exceeding EUR 5,000,000 for each financial year (prior to any adjustments for any such exceptional items);
- (f) *minus* any net profit (and/or *plus* any net losses) during such period of the Group attributable to minority interests, provided however that such subtraction or addition shall only be carried out if the net profit and/or net loss during such period of the Group attributable to minority interests in aggregate amounts to more than EUR 1,000,000;
- (g) *minus* any losses (and/or *plus* any gains) during such period of the Group attributable to disposals of any assets (not being any disposals made in the ordinary course of business);

- (h) *plus* depreciation of tangible fixed assets during such period; and
- (i) *plus* amortisation of intangible fixed assets during such period.

“**Change of Control Event**” means if any person or group of persons acting in concert (other than Polish retirement funds (*Pol. “otwarty fundusz emerytalny”, “OFE”*), their legal successors or entities directly or indirectly owned by the Polish State Treasury) gaining Decisive Influence over the Issuer.

“**Compliance Certificate**” means a certificate substantially in the form set out in Schedule 2 (*Form of Compliance Certificate*), unless otherwise agreed between the Agent and the Issuer.

“**CSD**” means the Issuer’s central securities depository and registrar in respect of the Bonds from time to time, initially Verdipapirsentralen ASA, Norwegian reg. no. 985 140 421, Postboks 1174 Sentrum, 0107, Oslo, Norway.

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

“**Debt Register**” means the debt register (*Sw. skuldbok*) kept by the CSD in respect of the Bonds in which an owner of Bonds is directly registered or an owner’s holding of Bonds is registered in the name of a nominee.

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**De-listing Event**” means that the shares of the Issuer are not listed on the Warsaw Stock Exchange or another Regulated Market.

“**Distribution**” means (whether in cash or kind):

- (a) payment of dividend in respect of shares;
- (b) repurchase of own shares;
- (c) redemption or reduction of share capital or other restricted equity with repayment to shareholders;
- (d) payment of principal or accrued or deferred interest (as applicable) under any Subordinated Debt or Shareholder Loan; or
- (e) other similar distribution (including, but not limited to total return swaps related to shares in the Issuer) or transfers of value to the direct and/or indirect shareholders of any Group Company or the Affiliates of such direct and/or indirect shareholders (including group contributions).

“**EURIBOR**” means:

- (a) the applicable percentage rate per annum displayed on Refinitiv screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels

time) on the Quotation Day for the offering of deposits in EUR and for a period comparable to the relevant Interest Period; or

- (b) if no such rate as set out in paragraph (a) above is available for the relevant Interest Period, the rate calculated by the Paying Agent (rounded upwards to four decimal places) which results from interpolating on a linear basis between:
 - (i) the applicable screen rate for the longest period (for which that screen rate is available) which is less than the Interest Period; and
 - (ii) the applicable screen rate for the shortest period (for which that screen rate is available) which exceeds that Interest Period,

in each case as of or around 11 a.m. on the Quotation Day, or

- (c) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Paying Agent at its request (such request to be made to at least five (5) banks) quoted by prime banks reasonably selected by the Paying Agent, as the rate at which relevant bank believes one prime bank is quoting to another prime bank for deposits of EUR 10,000,000 for the relevant period; or
- (d) if no rate is available for the relevant Interest Period pursuant to paragraph (a) and/or (b) above and no quotation is available pursuant to paragraph (c) above, the Interest Rate which according to the reasonable assessment of the Paying Agent best reflects the Interest Rate for deposits in EUR offered for the relevant period and which is also being applied by the Paying Agent in same capacity to other bonds of similar nature,

and if any such rate is below zero (0), EURIBOR will be deemed to be zero (0).

“**Euro**” and “**EUR**” means the single currency of the participating member states in accordance with the legislation of the European Community relating to Economic and Monetary Union.

“**Event of Default**” means an event or circumstance specified as such in Clause 15 (*Termination of the Bonds*).

“**Existing Bonds**” means the following bonds issued by the Issuer:

- (a) the maximum PLN 50,000,000 unsecured floating rate bonds with ISIN PLKRRK0000754 and maturity date on 20 February 2028
- (b) the maximum PLN 120,000,000 senior unsecured floating rate bonds with ISIN PLO163600037 and maturity date on 4 January 2029;
- (c) the maximum PLN 35,000,000 unsecured floating rate bonds with ISIN PLKRRK0000739 and maturity date on 28 November 2027;
- (d) the maximum PLN 60,000,000 unsecured floating rate bonds with ISIN PLKRRK0000713 and maturity date on 12 August 2027;
- (e) the maximum PLN 50,000,000 unsecured floating rate bonds with ISIN PLKRRK0000705 and maturity date on 2 June 2027;

- (f) the maximum PLN 50,000,000 unsecured floating rate bonds with ISIN PLKRK0000697 and maturity date on 8 February 2027;
- (g) the maximum PLN 350,000,000 senior unsecured floating rate bonds with ISIN PLO163600029 and maturity date on 2 February 2028;
- (h) the maximum PLN 50,000,000 unsecured floating rate bonds with ISIN PLKRK0000689 and maturity date on 16 December 2026;
- (i) the maximum PLN 65,000,000 unsecured fixed rate bonds with ISIN PLKRK0000648 and maturity date on 9 July 2026;
- (j) the maximum PLN 330,000,000 senior unsecured floating rate bonds with ISIN PLO163600011 and maturity date on 28 June 2027;
- (k) the maximum PLN 70,000,000 unsecured fixed rate bonds with ISIN PLKRK0000630 and maturity date on 10 June 2026;
- (l) the maximum PLN 20,000,000 unsecured fixed rate bonds with ISIN PLKRK0000622 and maturity date on 18 February 2026;
- (m) the maximum PLN 25,000,000 unsecured fixed rate bonds with ISIN PLKRK0000580 and maturity date on 25 September 2025;
- (n) the maximum PLN 25,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000572 and maturity date on 2 September 2024;
- (o) the maximum PLN 50,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000564 and maturity date on 28 June 2025;
- (p) the maximum PLN 115,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000556 and maturity date on 27 March 2025;
- (q) the maximum PLN 25,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000549 and maturity date on 6 February 2024;
- (r) the maximum PLN 30,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000531 and maturity date on 27 November 2023; and
- (s) the maximum PLN 35,000,000 senior unsecured floating rate bonds with ISIN PLKRK0000523 and maturity date on 12 October 2023.

“**Existing Secured Debt**” means the facilities granted to Group Companies under the following facility agreements:

- (a) the PLN 225,000,000 facility agreement dated 8 April 2011 (as amended) and made between Santander Bank Polska S.A. as lender and the Issuer as borrower;
- (b) the PLN 260,000,000 facility agreement dated 31 March 2014 (as amended) and made between Getin Noble Bank S.A. (currently VELOBANK S.A.) as lender and the Issuer as borrower;
- (c) the PLN 140,000,000 facility agreement dated 2 July 2015 (as amended) and made between mBank S.A. as lender and Prokura NS FIZ as borrower;

- (d) the EUR 446,000,000 multicurrency facility dated 3 July 2017 (as amended) and made between DNB Bank ASA, ING Bank Śląski S.A., Santander Bank Polska S.A., PKO BP S.A. and Bank Handlowy w Warszawie S.A. as lenders and InvestCapital Ltd, KRUK Romania S. R. L., KRUK Espana S.L.U. and Prokura NS FIZ as borrowers;
- (e) the PLN 50,000,000 facility agreement dated 19 December 2018 and made between Bank Pocztowy S.A. as lender and the Issuer as borrower; and
- (f) the PLN 29,760,000 facility agreement dated 21 September 2021 (as amended) and made between Powszechna Kasa Oszczędności Bank Polski S.A. as lender and Prokura NS FIZ as borrower;
- (g) the PLN 57,200,000 facility agreement dated 14 December 2021 (as amended) and made between Powszechna Kasa Oszczędności Bank Polski S.A. as lender and Prokura NS FIZ as borrower;
- (h) the PLN 100,000,000 facility agreement dated 22 December 2021 (as amended) and made between Getin Noble Bank S.A. (currently VELOBANK S.A.) as lender and the Issuer as borrower
- (i) the PLN 40,000,000 facility agreement dated 1 February 2022 (as amended) and made between Bank Pekao S.A. as lender and the Issuer as borrower;
- (j) the PLN 80,000,000 facility agreement dated 1 February 2022 (as amended) and made between Bank Pekao S.A. as lender and Prokura NS FIZ as borrower; and
- (k) the PLN 52,800,000 facility agreement dated 22 August 2022 and made between Powszechna Kasa Oszczędności Bank Polski S.A. as lender and Prokura NS FIZ as borrower.

“**External Experts**” means any reputable external experts appointed by the Agent in accordance with these Terms and Conditions and, if no Event of Default is continuing, as approved by the Issuer in writing (acting reasonably), and subject to the Agent obtaining fee quotes from at least three reputable external experts, and including quotes from one reputable external expert indicated by the Issuer, and the Issuer approving one of the fee quotes provided by such external experts.

“**Final Redemption Date**” means 10 May 2028.

“**Finance Documents**” means the Terms and Conditions, the Agency Agreement and any other document designated to be a Finance Document by the Issuer and the Agent.

“**Finance Lease**” means any lease or hire purchase contract, a liability under which would, in accordance with the Accounting Principles, be treated as a balance sheet liability.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;

- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the mark to market value shall be taken into account); and
- (h) without double counting, the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above,

provided that any credit arrangement or deferred settlement agreement with a term not exceeding three (3) months granted by a seller of a portfolio in connection with an acquisition shall, for the avoidance of doubt, not be deemed to constitute Financial Indebtedness.

“Financial Statements” the annual audited consolidated financial statements of the Group and/or (as applicable) the quarterly interim unaudited consolidated financial statements of the Group, which shall be prepared and made available according to Clause 12.1 (*Financial Statements*).

“Financial Support” means any loans, guarantees, Security or other financial assistance in any form (whether actual or contingent).

“First Call Date” means date falling thirty-six (36) months after the First Issue Date.

“First Issue Date” means 10 May 2023.

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

“Group” means the Issuer and each of its Subsidiaries from time to time.

“Group Book Value” means the consolidated aggregate book value according to the latest Financial Statements (calculated on a consolidated basis) in accordance with the Accounting Principles of (i) all debt portfolios and/or REO Properties owned by any Group Company, however adjusted for any profit sharing arrangements entered into by any Group Company to the extent such arrangements constitute Financial Indebtedness, and (ii) the Group’s interests in any joint venture(s) owning debt portfolios and/or REO Properties.

“Group Company” means the Issuer or any of its Subsidiaries.

“Initial Bond” means any Bond issued on the First Issue Date.

“Initial Bond Issue” has the meaning set forth in Clause 3.3.

“Interest” means the interest on the Bonds calculated in accordance with Clauses 10.1 to 10.4.

“Interest Cover Ratio” means the ratio of Pro Forma Adjusted Cash EBITDA to Net Interest Expense.

“**Interest Payment Date**” means 10 February, 10 May, 10 August and 10 November 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 (with the first Interest Payment Date on 10 August 2023 and the last Interest Payment Date being the Final Redemption Date (or any final Redemption Date prior thereto)).

“**Interest Period**” means in respect of the first Interest Period, the period from, and including, the First Issue Date to, but excluding, the first Interest Payment Date (or a shorter period if relevant), and in respect of subsequent Interest Periods, the period from, and including, an Interest Payment Date to, but excluding, the next succeeding Interest Payment Date (or a shorter period if relevant). Any Subsequent Bonds will carry interest at the Interest Rate from, and including, the Interest Payment Date falling immediately prior to their issuance (or the First Issue Date, if none) to, but excluding, the next succeeding Interest Payment Date (or a shorter period if relevant).

“**Interest Rate**” means the Base Rate plus 650 basis points *per annum* as adjusted by any application of Clause 18 (*Replacement of Base Rate*). For the avoidance of doubt, if any such total rate is below zero then the Interest Rate will be deemed to be zero.

“**Issue Date**” means the First Issue Date or any date when Subsequent Bonds are issued.

“**Issuer**” means KRUK S.A., a joint stock company (*spółka akcyjna*) incorporated in Poland and entered in the register of entrepreneurs of the National Court Register (*rejestr przedsiębiorców Krajowego Rejestru Sądowego*) under number 0000240829 (and with LEI-code 259400T1FZYBIW8XUJ78).

“**Joint Bookrunners**” means Arctic Securities AS, reg. no. 991125175, and DNB Bank ASA, Sweden branch, reg. no. 516406-0161.

“**Leverage Ratio**” means the ratio of Total Net Interest Bearing Debt to Pro Forma Adjusted Cash EBITDA.

“**Listing Failure Event**” means a situation where:

- (a) the Initial Bonds have not been admitted to trading on any Regulated Market or MTF one (1) Business Day before Record Date for the first Interest Payment Date (being 7 August 2023);
- (b) the Initial Bonds have not been admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market within twelve (12) months after the First Issue Date;
- (c) any Subsequent Bonds have not been admitted to trading on the same Regulated Market and/or MTF within ninety (90) calendar days after the relevant Issue Date, unless, in relation only to any Regulated Market, the Subsequent Bonds are issued before the date falling twelve (12) months after the First Issue Date in which case such Subsequent Bonds shall be admitted to trading on the same Regulated Market within the later of (i) twelve (12) months after the First Issue Date and (ii) the date falling ninety (90) calendar days after the relevant Issue Date; or

- (d) any Bonds, once admitted to trading on the corporate bond list of Nasdaq Stockholm or any other Regulated Market or MTF, cease to be admitted to trading thereon (however, taking into account the rules and regulations of the relevant Regulated Market or MTF and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds), provided that the Bonds may be delisted from an MTF in connection with the admission to trading of the Bonds on a Regulated Market.

“**Maintenance Test**” has the meaning set forth in Clause 13.1 (*Maintenance Test*).

“**Material Adverse Effect**” means:

- (a) a change in the business, operations, property, financial condition or assets of the Group taken as a whole; or in regulatory frameworks, or the loss of a licence or other public authorisation; in each case, which would have a material adverse effect on the Issuer’s ability to perform and comply with its payment obligations under any of the Finance Documents; or
- (b) a change to the validity or enforceability of any of the Finance Documents, in a manner which is materially adverse to the interests of the Bondholders, subject to thirty (30) calendar day remedy period.

“**MTF**” means any multilateral trading facility (as defined in Directive 2014/65/EU on markets in financial instruments (MiFID II), as amended).

“**Nasdaq Stockholm**” means the Regulated Market of Nasdaq Stockholm AB, reg. no. 556420-8394, SE-105 78 Stockholm, Sweden.

“**Net Interest Expense**” means, for any Reference Period, the aggregate amount of the accrued interest, in respect of Financial Indebtedness, paid or payable by any Group Company according to the latest Financial Statements (calculated on a consolidated basis) in cash in respect of that Reference Period, after deducting any interest payable for that Reference Period to any Group Company (for avoidance of doubt, not deducting any interest payable for that Reference Period from any debt portfolios owned by any Group Company); and after deducting any interest income relating to Cash and Cash Equivalents of the Group, and:

- (a) excluding any upfront fees or costs;
- (b) including the interest (but not the capital) element of payments in respect of any Finance Lease; and
- (c) including any interest payments paid by (and deducting any such amounts paid to) any Group Company under any interest rate hedging arrangement (including, for avoidance of doubt, cross-currency interest rate hedging arrangements), and excluding any other amounts relating to any hedging arrangements; and
- (d) excluding any interest in respect of any Subordinated Debt and any Shareholder Loan;

and so that no amount shall be added (or deducted) more than once.

“**Net Proceeds**” means the proceeds from the Initial Bond Issue or any Subsequent Bond Issue after deduction has been made for the transaction costs payable by the Issuer to the Joint

Bookrunners and the relevant bookrunner(s) (if they have requested that their respective fees and costs shall be deducted) for the services provided in relation to the placement and issuance of the Bonds.

“**Nominal Amount**” has the meaning set forth in Clause 3.3.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD from time to time, initially Arctic Securities AS, reg. no. 991125175.

“**Permitted Financial Indebtedness**” means:

- (a) any Financial Indebtedness incurred under the Finance Documents;
- (b) any Financial Indebtedness provided by a reputable financial institution or bank, or a syndicate of reputable financial institutions or banks (including the Existing Secured Debt);
- (c) any Financial Indebtedness incurred by the Issuer under the Existing Bonds;
- (d) any new capital markets debt, including any bonds or notes, incurred by the Issuer or another Group Company (including such debt supported by a guarantee from another Group Company);
- (e) any Financial Indebtedness granted by a Group Company to another Group Company;
- (f) any Financial indebtedness incurred by any joint venture;
- (g) any deposits collected by Group Companies;
- (h) any Financial Indebtedness incurred under any Shareholder Loan;
- (i) any Financial Indebtedness incurred under any Subordinated Debt;
- (j) any Financial Indebtedness arising under any hedging arrangements as part of the Group’s ordinary course of business and for non-speculative purposes;
- (k) any Financial Indebtedness in form of leases in respect of real property or premises in the ordinary course of business;
- (l) any Financial Indebtedness of an entity acquired by any Group Company after the First Issue Date, if such Financial Indebtedness exists at the completion of the acquisition and is discharged within ninety (90) calendar days of the completion of the acquisition;
- (m) any Vendor Loans;
- (n) any Financial Indebtedness incurred in the ordinary course of business under Advance Purchase Agreements;
- (o) any Financial Indebtedness of the Group under any pension or tax liabilities of the Group incurred in the ordinary course of business;
- (p) any other Financial Indebtedness not otherwise included in paragraphs (a) to (o) above incurred in an aggregate amount at any time not exceeding EUR 10,000,000 (or its equivalent in any other currency or currencies);

- (q) any refinancing, amendment or replacement of any of any Financial Indebtedness incurred pursuant to paragraphs (a) to (p) above from time to time; and
- (r) any Financial Indebtedness arising under any guarantee issued by any Group Company in the ordinary course of business, including any guarantee for any of the items referred to in paragraphs (a) to (q) above.

“Permitted Security” means:

- (a) any Security granted in relation to any Permitted Financial Indebtedness other than in relation to paragraphs (c) and (d) of that definition;
- (b) any Security granted in relation to Permitted Financial Indebtedness set out in paragraph (d) of that definition, provided that the Agent is offered Security on the same (or substantially the same) terms
- (c) any lien arising by operation of law in the ordinary course of business (including collateral or retention of title arrangements in connection with Advance Purchase Agreements but, for the avoidance of doubt, not including Security in respect of any monies borrowed or raised);
- (d) any netting or set-off arrangement entered into by any Group Company in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Group (if applicable);
- (e) any Security provided in relation to a refinancing of the Bonds in full; and
- (f) any Security for obligations or liability incurred by any Group Company in the ordinary course of business and as part of the daily operation by any such Group Company.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organisation, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality.

“Polish Civil Code” means the Polish Civil Code dated 23 April 1964, as amended from time to time.

“Pro Forma Adjusted Cash EBITDA” means, in respect of any Reference Period, the Cash EBITDA, adjusted by including eighty (80.00) per cent. of the Pro Forma Adjustments (without double counting).

“Pro Forma Adjustments” means, in respect of any Reference Period, the *pro forma* projected recoveries for all portfolios without full twelve (12) months trading for a Group Company, but only taking into account the *pro forma* projected recoveries for the remaining period as if such portfolios has been trading for twelve (12) months.

“Quotation Day” means, in relation to:

- (a) 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 First Issue Date); or

- (b) 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 date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Terms and Conditions, (i) the second (2nd) Business Day prior to any Interest Payment Date or Redemption Date or (ii) any other date designated as the Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote with regard to Clause 16 (*Decisions by Bondholders*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Agent.

“**Redemption Date**” means the date on which the relevant Bonds are to be redeemed, in full or in part (as applicable), or repurchased in accordance with Clause 11 (*Redemption and repurchase of the Bonds*).

“**Reference Date**” means 31 March, 30 June, 30 September and 31 December in each year for as long as any Bonds are outstanding.

“**Reference Period**” means each period of twelve (12) consecutive calendar months ending on a Reference Date.

“**Regulated Market**” means any regulated market (as defined in Directive 2014/65/EU on markets in financial instruments (MiFID II), as amended).

“**REO Properties**” means real estate assets, including, but not limited to, apartments, houses, town homes, hotels, commercial buildings, parking lots, storage houses and land, or holding companies owning such assets, and which assets (i) stems from realized mortgages or security for a receivable owned by, or (ii) are acquired as an integral part of an acquisition of debt by any Group Company or a joint venture where any member of the Group has an equity interest of fifty (50.00) per cent. or less.

“**Secured Loan to Value Ratio**” means the ratio of (i) the aggregate outstanding amount under facilities and loans as described in paragraph (b) of the definition Permitted Financial Indebtedness in accordance with the Accounting Principles secured by any debt portfolios and/or REO Properties held by any Group Company, or secured by shares or investment certificates issued by any Group Company holding debt portfolios, plus aggregate outstanding amount under any Vendor Loans that constitutes Financial Indebtedness, less the aggregate amount of Cash and Cash Equivalents of the Group (in each case, calculated on a consolidated basis), to (ii) Group Book Value.

“**Securities Account**” means the account for dematerialised securities maintained by the CSD in which an owner of such securities is directly registered or 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 (however, for avoidance of doubt, not including any guarantee or indemnity).

“**Shareholder Loan**” means any loan from a shareholder of the Issuer to the Issuer as a debtor, if such shareholder loan is unsecured and *provided that*:

- (a) according to its terms or pursuant to a subordination agreement on terms and conditions satisfactory to the Agent, is subordinated to the obligations of the Issuer under the Finance Documents; and
- (b) any payment or prepayment of any principal amount or accrued or deferred interest (as applicable) under such loan shall only be made if permitted under Clause 14.1 (*Distributions*).

“**Subordinated Debt**” means all present and future moneys, debts and liabilities due, owing or incurred from time to time by the Issuer as debtor from a creditor, if such debt:

- (a) according to its terms or pursuant to a subordination agreement on terms and conditions satisfactory to the Agent, is subordinated to the obligations of the Issuer under the Finance Documents;
- (b) according to its terms has a final redemption date or, when applicable, early redemption dates or instalment dates which occur after the Final Redemption Date;
- (c) according to its terms yield only payment-in-kind interest and/or cash interest that is payable after the Final Redemption Date, save for payments which are permitted under Clause 14.1 (*Distributions*); and
- (d) is designated by the Issuer by notice to the Agent as a subordinated debt pursuant to this definition.

“**Subsequent Bond**” means any Bond issued after the First Issue Date on one or more occasions.

“**Subsequent Bond Issue**” means any issue of Subsequent Bonds.

“**Subsidiary**” means, in relation to a Person, any legal entity (whether incorporated or not), in respect of which that Person has Decisive Influence.

“**Total Net Interest Bearing Debt**” means the aggregate outstanding principal, capital or nominal amount of all obligations of the Group for or in respect of interest-bearing Financial Indebtedness of the Group at any time (calculated on a consolidated basis) in accordance with the Accounting Principles but (without double counting):

- (a) for the avoidance of doubt, excluding any debt obligations to any other member of the Group;
- (b) excluding any Bonds owned by the Issuer or any Group Company;
- (c) excluding any Subordinated Debt and any Shareholder Loan;
- (d) including, in the case of Finance Leases only, their capitalised value;
- (e) deducting the aggregate amount of free Cash and Cash Equivalents of the Group; and
- (f) excluding any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price.

“**Vendor Loan**” means any credit arrangement or deferred settlement agreement granted by a seller of a portfolio in connection with an acquisition.

“**Written Procedure**” means the written or electronic procedure for decision making among the Bondholders in accordance with Clause 16.3 (*Written Procedure*).

1.2 **Construction**

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

- (a) “**assets**” includes present and future properties, revenues and rights of every description;
- (b) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;
- (c) a “**regulation**” includes any law, regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;
- (d) a provision of regulation is a reference to that provision as amended or re-enacted; and
- (e) a time of day is a reference to Stockholm time.

1.2.2 An Event of Default is continuing if it has not been remedied or waived.

1.2.3 When ascertaining whether a limit or threshold specified in EUR 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 EUR for the previous Business Day, as published by the European Central Bank on its website (www.ecb.europa.eu). If no such rate is available, the most recently published rate shall be used instead.

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

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

1.2.6 The selling and distribution restrictions and the privacy statement contained in this document before the table of contents do not form part of the Terms and Conditions and may be updated without the consent of the Bondholders and the Agent (save for the privacy statement insofar it relates to the Agent).

2. **STATUS OF THE BONDS**

The Bonds constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank at least *pari passu* with all direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer, except those obligations which are mandatorily preferred by law, and without any preference among them.

3. THE AMOUNT OF THE BONDS AND UNDERTAKING TO MAKE PAYMENTS

- 3.1 The Bonds are denominated in EUR and each Bond is constituted by these Terms and Conditions. The Issuer undertakes to repay the Bonds, to pay Interest and to otherwise act in accordance and comply with these Terms and Conditions.
- 3.2 By subscribing for Bonds, each initial Bondholder agrees that the Bonds shall benefit from and be subject to these Terms and Conditions and by acquiring Bonds each subsequent Bondholder confirms these Terms and Conditions.
- 3.3 The total aggregate nominal amount of the Initial Bonds is EUR 150,000,000 (“**Initial Bond Issue**”), which will be represented by Bonds, each of a nominal amount of EUR 100,000 (the “**Nominal Amount**”).
- 3.4 All Initial Bonds are issued on a fully paid basis at an issue price of one hundred (100.00) per cent. of the Nominal Amount.
- 3.5 The minimum permissible investment in connection with the Initial Bond Issue is EUR 100,000.
- 3.6 The ISIN for the Bonds is NO0012903444.
- 3.7 The Issuer may at one or more occasions after the First Issue Date issue Subsequent Bonds under these Terms and Conditions, until the total amount under such Subsequent Bond Issue(s) and the Initial Bond Issue equals EUR 350,000,000, provided that no Event of Default is continuing or would result from the Subsequent Bond Issue. Any Subsequent Bond shall, for the avoidance of doubt, benefit from and be subject to the Finance Documents and the ISIN (to the extent a temporary ISIN is not required prior to listing thereof), the Interest Rate, the Nominal Amount and the final maturity applicable to the Initial Bonds shall apply also to Subsequent Bonds. The price of the Subsequent Bonds may be set at par, a discount or a premium compared to the Nominal Amount.

4. USE OF PROCEEDS

The Net Proceeds of the Initial Bond Issue and any Subsequent Bond Issue shall be applied towards general corporate purposes (including investments, capital expenditures, acquisitions and repayment of revolving credit facilities) of the Group.

5. CONDITIONS PRECEDENT

5.1 Settlement of the Initial Bond Issue

- 5.1.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the First Issue Date (or such later time as agreed by the Agent), all of the documents and other evidence listed in Part 1 (*Conditions Precedent for Settlement – Initial Bond Issue*) of Schedule 1 (*Conditions Precedent*).
- 5.1.2 The Agent shall promptly confirm to the Paying Agent and the Joint Bookrunners when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in

accordance with Clause 17 (*Amendments and waivers*)). The First Issue Date shall not occur unless the Agent makes such confirmation to the Paying Agent and the Joint Bookrunners no later than 11.00 a.m. one (1) Business Days prior to the First Issue Date (or later, if the Paying Agent and the Joint Bookrunners so agree).

- 5.1.3 Following receipt by the Paying Agent and the Joint Bookrunners of the confirmation in accordance with Clause 5.1.2, the Paying Agent shall settle the issuance of the Bonds and the Joint Bookrunners shall transfer the Net Proceeds of the Initial Bond Issue to an account designated by the Issuer on the First Issue Date.

5.2 **Settlement a Subsequent Bond Issue**

- 5.2.1 The Issuer shall provide to the Agent, no later than 11.00 a.m. two (2) Business Days prior to the relevant Issue Date (or such later time as agreed by the Agent), all of the documents and other evidence listed in Part 2 (*Conditions Precedent for Settlement – Subsequent Bond Issue*) of Schedule 1 (*Conditions Precedent*).

- 5.2.2 The Agent shall promptly confirm to the Paying Agent and the Joint Bookrunners when it is satisfied that the conditions in Clause 5.1.1 have been fulfilled (or amended or waived in accordance with Clause 17 (*Amendments and waivers*)). The relevant Issue Date shall not occur unless the Agent makes such confirmation to the Paying Agent and the Joint Bookrunners no later than 11.00 a.m. one (1) Business Days prior to the relevant Issue Date (or later, if the Paying Agent and the Joint Bookrunners so agree).

- 5.2.3 Following receipt by the Paying Agent and the Joint Bookrunners of the confirmation in accordance with Clause 5.1.2, the Paying Agent shall settle the issuance of the Bonds and the Joint Bookrunners shall transfer the Net Proceeds of the Subsequent Bond Issue to the Issuer on the relevant Issue Date.

5.3 **No responsibility for documentation**

The Agent may assume that the documentation and evidence delivered to it is accurate, legally valid, enforceable, correct, true and complete unless it has actual knowledge to the contrary, and the Agent does not have to verify or assess the contents of any such documentation or evidence. No documents or evidence delivered in accordance with this Clause 5 are reviewed by the Agent from a legal or commercial perspective of the Bondholders.

6. **THE BONDS AND TRANSFERABILITY**

- 6.1 Each Bondholder is bound by these Terms and Conditions without there being any further actions required to be taken or formalities to be complied with.

- 6.2 The Bonds are freely transferable. All Bond transfers are subject to these Terms and Conditions and these Terms and Conditions are automatically applicable in relation to all Bond transferees upon completed transfer.

- 6.3 Upon a transfer of Bonds, any rights and obligations under the Finance Documents relating to such Bonds are automatically transferred to the transferee.

- 6.4 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Bonds or the possession, circulation or distribution of any document or other material relating to the Issuer or the Bonds in any jurisdiction other than Sweden, where action for that purpose is required. Each Bondholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Bonds, (due to, *e.g.*, its nationality, its residency, its registered address or its place(s) of business). Each Bondholder must ensure compliance with such restrictions at its own cost and expense.
- 6.5 For the avoidance of doubt and notwithstanding the above, a Bondholder which allegedly has purchased Bonds in contradiction to mandatory restrictions applicable may nevertheless utilise its voting rights under these Terms and Conditions and shall be entitled to exercise its full rights as a Bondholder hereunder in each case until such allegations have been resolved.

7. BONDS IN BOOK-ENTRY FORM

- 7.1 The Bonds will be registered for the Bondholders on their respective Securities Accounts and no physical Bonds will be issued. Accordingly, the Bonds will be registered in accordance with the relevant securities legislation and the CSD Regulations. Registration requests relating to the Bonds shall be directed to an Account Operator. The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Terms and Conditions give notice to the CSD of any such amendment or variation.
- 7.2 The Bonds have not been registered under any other country's legislation than that of the country in which the Bonds are registered, being Norway. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of Norway.
- 7.3 The Agent shall be entitled to obtain information from the Debt Register kept by the CSD in respect of the Bonds. For the purpose of carrying out any administrative procedure that arises out of these Terms and Conditions, the Paying Agent shall in accordance with applicable law be entitled to obtain information from the Debt Register.
- 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. The Issuer may not revoke any such power of attorney unless directed by the Agent or unless consent thereto is given by the Bondholders.
- 7.5 The Agent and the Paying Agent may use the information referred to in Clause 7.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

8. RIGHT TO ACT ON BEHALF OF A BONDHOLDER

- 8.1 If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents it must obtain proof of ownership of the Bonds, acceptable to the Agent. A Bondholder (whether registered as such or proven to the Agent's

satisfaction to be the beneficial owner of the Bond as set out in paragraph 8.1 above may issue on or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. Any such representative may act independently under the Finance Documents in relation to the Bonds for which such representative is entitled to represent the Bondholder.

8.2 The Agent shall only have to examine the face of a power of attorney or other authorisation that has been provided to it pursuant to Clauses 8.1 and may assume that such document 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 or the Agent has actual knowledge to the contrary.

8.3 These Terms and Conditions shall not affect the relationship between a Bondholder who is the nominee (Sw. *förvaltare*) with respect to a Bond and the owner of such Bond, and it is the responsibility of such nominee to observe and comply with any restrictions that may apply to it in this capacity.

9. PAYMENTS IN RESPECT OF THE BONDS

9.1 The Issuer will unconditionally make available to or to the order of the Agent and/or the Paying Agent all amounts due on the relevant payment date pursuant to the terms of these Terms and Conditions at least two (2) Business Days prior to the relevant payment date (or at such other time as may be required by CSD regulations, in which case the Agent and/or the Paying Agent will notify the Issuer promptly upon becoming aware of such requirement) and to such accounts as specified by the Agent and/or the Paying Agent in advance of the relevant payment date or when other payments are due and payable pursuant to these Terms and Conditions.

9.2 All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the relevant Record Date, by, if no specific order is made by the Agent, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.

9.3 Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under the Finance Documents will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its Securities Account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.

9.4 If any relevant payment date to the Bondholders pursuant to the Finance Documents falls on a day which is not a Business Day, the payment shall be made on the Business Day following from an application of the Business Day Convention.

9.5 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 10.6 during such postponement.

9.6 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, unless the Issuer or the CSD (as applicable) was aware of that the payment was being made to a Person not entitled to receive such amount.

- 9.7 All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 3.1. If, however, the denomination differs from the currency of the bank account connected to a Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- 9.8 Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its Account Operator in the CSD) within five (5) Business Days prior to a payment date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.
- 9.9 Notwithstanding anything to the contrary in these Terms and Conditions, the Bonds shall be subject to, and any payments made in relation thereto shall be made in accordance with, the CSD Regulations.
- 9.10 The Issuer shall pay any stamp duty and other public fees accruing in connection with the Initial Bond Issue or a Subsequent Bond Issue, but not in respect of trading in the secondary market (except to the extent required by applicable law), and shall deduct at source any applicable withholding tax payable pursuant to law. The Issuer shall not be liable to reimburse any stamp duty or public fee or to gross-up any payments under these Terms and Conditions by virtue of any withholding tax, public levy or similar.

10. INTEREST

- 10.1 Each Initial Bond carries Interest at the Interest Rate applied to the Nominal Amount from (and including) the First Issue Date up to (but excluding) the relevant Redemption Date. Any Subsequent Bond will carry Interest at the Interest Rate applied to the Nominal Amount from (and including) the Interest Payment Date falling immediately prior to its Issue Date (or the First Issue Date if there is no such Interest Payment Date) up to (but excluding) the relevant Redemption Date.
- 10.2 Notwithstanding anything to the contrary in these Terms and Conditions, should the Interest Rate or any payment of Interest at any time exceed the maximum permitted level for interest rates (the "**Maximum Interest Rate**") and/or maximum permitted amount for interest payments (the "**Maximum Interest Payment Amount**") for the Issuer, in each case in accordance with Article 359 §2 of the Polish Civil Code from time to time (such maximum permitted level of interest being equal to two (2) times the Polish statutory interest rate, i.e. the reference rate announced by the National Bank of Poland from time to time plus 3.5 percentage points), the Interest Rate shall, only for as long as it is above the Maximum Interest Rate, be deemed to be equal to the Maximum Interest Rate and no payments of Interest in excess of the Maximum Interest Payment Amount shall be made to the Bondholders (each

referred to as a “**Mandatory Interest Event**”). Upon the occurrence of a Mandatory Interest Event, the Issuer shall promptly after having received knowledge of such event give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 24 (*Notices and press releases*) and such notice shall specify the date of the Mandatory Interest Event and the new applicable Interest Rate and/or or the Maximum Interest Payment Amount. Should the Maximum Interest Rate at any time following a Mandatory Interest Event again be higher than the Interest Rate and/or the Maximum Interest Payment Amount again be higher than the payments of Interest, the Issuer shall promptly give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 24 (*Notices and press releases*). The occurrence of the Mandatory Interest Event shall be supported by a legal opinion and the Issuer shall procure that such legal opinion is issued to the Agent and the Paying Agent by a reputable law firm.

- 10.3 Interest accrues during an Interest Period. Payment of Interest in respect of the Bonds shall be made quarterly in arrears to the Bondholders on each Interest Payment Date for the preceding Interest Period.
- 10.4 Interest shall be calculated on the basis of the actual number of calendar days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Agent will notify the Issuer and the Paying Agent of the new Interest Rate and the actual number of calendar days for the next Interest Period on each Quotation Day.
- 10.5 Upon the occurrence of a Listing Failure Event in any Interest Period, the Interest Rate on the Bonds shall be increased by one hundred (100) basis points *per annum* with effect from (and including) the next succeeding Interest Period after the date of the Listing Failure Event up to (but excluding) the next succeeding Interest Period after the date such Listing Failure Event has been remedied or waived. If the Listing Failure Event occurs and is remedied or waived during the same Interest Period, the Interest Rate on the Bonds shall not be increased. The increase of the Interest Rate pursuant to this Clause shall in any case be subject to the application of Clause 10.2 for as long as any Mandatory Interest Event is outstanding.
- 10.6 If the Issuer fails to pay any amount payable by it under the Finance Documents 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 hundred (200) basis points higher than the Interest Rate, but shall be subject to the application of Clause 10.2 for as long as any Mandatory Interest Event is outstanding. The default interest shall not be capitalised. No default interest shall accrue where the failure to pay was solely attributable to the Agent or the CSD, in which case the Interest Rate shall apply instead.

11. REDEMPTION AND REPURCHASE OF THE BONDS

11.1 Redemption at maturity

The Issuer shall redeem all, but not only some, of the Bonds in full on the Final Redemption Date with an amount per Bond equal to one hundred (100.00) per cent. of the Nominal Amount together with accrued but unpaid Interest. If the Final Redemption Date is not a Business Day, the redemption shall to the extent permitted under the CSD Regulations occur on the Business

Day following from an application of the Business Day Convention or, if not permitted under the CSD Regulations, on the first following Business Day.

11.2 **Purchase of Bonds by Group Companies**

Each Group Company may, subject to applicable regulations, at any time and at any price purchase Bonds on the market or in any other way. Any Bonds held by a Group Company may at such Group Company's discretion be retained or sold, but not cancelled, except in connection with a redemption of the Bonds in full or repurchase of all Bonds not already held by the Group Companies.

11.3 **Early voluntary total redemption (call option)**

11.3.1 The Issuer may redeem all or part of the Bonds on any Business Day falling on or after the First Issue Date up to (but excluding) the Final Redemption Date, at the applicable Call Option Amount together with accrued but unpaid Interest. No partial redemption may be made by the Issuer under this Clause if the total aggregate outstanding Nominal Amount of the Bonds as a result of such redemption would be lower than EUR 100,000,000 unless the Bonds are redeemed in full.

11.3.2 For the purpose of calculating the remaining interest payments pursuant to paragraph (a) of the definition of Call Option Amount and subject to the application of Clause 10.2, it shall be assumed that the Interest Rate of the redeemed Bonds for the period from the relevant Record Date to and including the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is sent to the Bondholders in accordance with Clause 11.3.3. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such redemption.

11.3.3 Redemption in accordance with Clause 11.3.1 shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. Any such notice shall state the Redemption Date and the relevant Record Date. Such notice is irrevocable but may, at the Issuer's discretion, contain one or more conditions precedent that shall be fulfilled or waived at least three (3) Business Days prior to the Record Date. Upon expiry of such notice and the fulfilment of the conditions precedent (if any), the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date.

11.3.4 Any redemption in accordance with Clause 11.3.1 exercised in part will be used for *pro rata* payment to the Bondholders in accordance with the applicable regulations of the CSD.

11.4 **Early voluntary total redemption due to illegality (call option)**

11.4.1 The Issuer may redeem all, but not only some, of the outstanding Bonds at an amount per Bond equal to the Nominal Amount together with accrued but unpaid Interest on a Redemption Date determined by the Issuer if it is, or becomes, unlawful for the Issuer to perform its obligations under the Finance Documents.

11.4.2 The applicability of Clause 11.4.1 shall be supported by a legal opinion issued by a reputable law firm.

- 11.4.3 The Issuer may give notice of redemption pursuant to Clause 11.4.1 no later than twenty (20) Business Days after having received actual knowledge of any event specified therein (after which time period such right shall lapse). Upon receipt of such notice, the Agent shall inform the Paying Agent. The notice from the Issuer is irrevocable, shall specify the Redemption Date and also the Record Date on which a Person shall be registered as a Bondholder to receive the amounts due on such Redemption Date. The Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such redemption.
- 11.5 **Mandatory repurchase due to a Change of Control Event or De-listing Event (put option)**
- 11.5.1 Upon the occurrence of a Change of Control Event or a De-listing Event, each Bondholder shall have the right to request that all, or only some, of its Bonds are repurchased (whereby the Issuer shall have the obligation to repurchase such Bonds) at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest during a period of fifteen (15) Business Days following a notice from the Issuer of the Change of Control Event or De-listing Event (as applicable) pursuant to paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*). The fifteen (15) Business Days' period may not start earlier than upon the occurrence of the relevant event.
- 11.5.2 The notice from the Issuer pursuant to paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*) shall specify the repurchase date and include instructions about the actions that a Bondholder needs to take if it wants Bonds held by it to be repurchased. If a Bondholder has so requested, and acted in accordance with the instructions in the notice from the Issuer, the Issuer, or a Person designated by the Issuer, shall repurchase the relevant Bonds and the repurchase amount shall fall due on the repurchase date specified in the notice given by the Issuer pursuant to paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*). The repurchase date must fall no later than twenty (20) Business Days after the end of the period referred to in Clause 11.5.1.
- 11.5.3 The Issuer shall comply with the requirements of any applicable securities regulations in connection with the repurchase of Bonds. To the extent that the provisions of such regulations conflict with the provisions in this Clause 11.5, the Issuer shall comply with the applicable securities regulations and will not be deemed to have breached its obligations under this Clause 11.5 by virtue of the conflict.
- 11.5.4 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.5, if a third party in connection with the occurrence of a Change of Control Event or a De-listing Event (as applicable) offers to purchase all Bonds in the manner and on the terms set out in this Clause 11.5 (or on terms more favourable to the Bondholders) and purchases all Bonds validly tendered in accordance with such offer. If the Bonds tendered are not purchased within the time limits stipulated in this Clause 11.5, the Issuer shall repurchase any such Bonds within five (5) Business Days after the expiry of the time limit.
- 11.5.5 The Issuer shall not be required to repurchase any Bonds pursuant to this Clause 11.5 in connection with the occurrence of a Change of Control Event if the call option has been exercised in relation to a redemption of the Bonds in full pursuant to Clause 11.3 (*Early*

voluntary total redemption (call option)) by way of a call notice which has become unconditional on or before the end of the exercise period.

11.5.6 Any Bonds repurchased by the Issuer pursuant to this Clause 11.5 may at the Issuer's discretion be retained or sold, but not cancelled except in connection with a redemption of the Bonds in full or repurchase of all Bonds not already held by the Issuer.

11.6 **Clean-up early voluntary total redemption (call option)**

11.6.1 For as long as the Issuer together with any Group Companies holds more than 90.00 per cent. of the total aggregate outstanding Nominal Amount of the Bonds, the Issuer shall be entitled to redeem all, but not only some, of the Bonds in full at a price per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest.

11.6.2 Redemption in accordance with Clause 11.6.1 shall be made by the Issuer giving not less than ten (10) Business Days' notice to the Bondholders and the Agent. Upon receipt of such notice, the Agent shall inform the Paying Agent. Any such notice shall state the Redemption Date and the relevant Record Date. Such notice is irrevocable. Upon expiry of such notice, the Issuer shall redeem the Bonds in full at the applicable amount on the specified Redemption Date. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such redemption.

12. **INFORMATION UNDERTAKINGS**

12.1 **Financial Statements**

The Issuer shall prepare and make available to the Agent and the Bondholders by publication on the Group's website (or alternatively by arranging for publication on another relevant information platform):

- (a) as soon as they are available, but in any event within four (4) months after the end of each financial year, the annual audited consolidated financial statements of the Group for that financial year; and
- (b) as soon as they are available, but in any event within two (2) months after the end of each quarter of each of its financial years, the consolidated financial statements or year-end report (as applicable) of the Group for that financial quarter.

12.2 **Requirements as to Financial Statements**

12.2.1 The Issuer shall prepare the Financial Statements in accordance with the Accounting Principles and make them available in accordance with the rules and regulations of Nasdaq Stockholm or any other Regulated Market or MTF on which the Issuer's securities from time to time are listed (as amended from time to time) and the Swedish Securities Market Act (*Sw. lag (2007:528) om värdepappersmarknaden*) (as amended from time to time) (as applicable).

12.2.2 Each of the Financial Statements shall include a profit and loss account, a balance sheet and a cash flow statement.

12.3 **Compliance Certificate**

12.3.1 The Issuer shall issue a Compliance Certificate to the Agent signed by the CEO or any other duly authorised signatory of the Issuer:

- (a) within five (5) Business Days after the consolidated Financial Statements are made available to the Agent in accordance with Clause 12.1 (*Financial Statements*); and
- (b) at the Agent's reasonable request, within twenty (20) Business Days from such request.

12.3.2 In each Compliance Certificate, the Issuer shall:

- (a) certify that, so far as it is aware, no Event of Default is continuing or, if it is aware that such event is continuing, specifying the event and steps, if any, being taken to remedy it; and
- (b) if provided in connection with the quarterly interim Financial Statements being made available, certify that the Maintenance Test is met as per the Reference Date to which the Compliance Certificate refers to, including calculations and figures in respect of the Maintenance Test.

12.4 **Information: miscellaneous**

The Issuer shall:

- (a) promptly notify:
 - (i) the Agent and the Bondholders upon becoming aware of the occurrence of a Change of Control Event, a De-listing Event or a Listing Failure Event; and
 - (ii) the Agent (with full particulars) upon becoming aware of the occurrence of any event or circumstance which constitutes an Event of Default, and shall provide the Agent with such further information as it may reasonably request in writing following receipt of such notice;
- (b) keep the latest version of the Terms and Conditions (including documents amending the Terms and Conditions) available on the Group's website; and
- (c) procure that all information to the Bondholders, including the Financial Statements, shall be in English.

12.5 **Restrictions**

The Issuer is only obliged to provide any information to the Agent and/or the Bondholders if providing such information to the Agent and/or the Bondholders would not conflict with any applicable laws or the Issuer's registration contract with Nasdaq Stockholm or any other Regulated Market or MTF on which the Issuer's securities from time to time are listed (as amended from time to time). If such conflict would exist pursuant to the listing contract with a Regulated Market or MTF, the Issuer shall however be obliged to either seek approval from that Regulated Market or MTF or undertake other reasonable measures, including entering into a non-disclosure agreement with the Agent, in order to be able to timely inform the Agent according to Finance Documents.

13. FINANCIAL COVENANTS

13.1 Maintenance Test

13.1.1 The Maintenance Test shall be tested quarterly, on each Reference Date from and including 30 June 2023, on the basis of the consolidated interim Financial Statements of the Group in relation to the relevant Reference Date, including the previous Financial Statements necessary to cover the relevant Reference Period, and shall be reported in the Compliance Certificate delivered in connection with such Financial Statements.

13.1.2 The Maintenance Test is met if:

- (a) the Interest Cover Ratio exceeds 3.00:1;
- (b) the Leverage Ratio is less than 4.00:1; and
- (c) the Secured Loan to Value Ratio is less than 0.55:1.

13.2 Equity Cure

13.2.1 If there is a breach of the Maintenance Test, no Event of Default will occur if, within thirty (30) Business Days of the earlier of:

- (a) the delivery of the relevant Compliance Certificate evidencing that breach; and
- (b) the date when such Compliance Certificate should have been delivered in accordance with the Terms and Conditions,

the Issuer has received an equity injection in cash in the form of a share issue, an unconditional shareholder contribution or Subordinated Debt in an amount sufficient to ensure compliance with the Maintenance Test as at the relevant Reference Date (the “**Cure Amount**”) (an “**Equity Cure**”).

13.2.2 For the purpose of the calculation of the Maintenance Test, the relevant debt shall be deemed reduced on the relevant Reference Date with an amount equal to the Cure Amount. For the avoidance of doubt, there shall be no EBITDA cure.

13.2.3 Any Equity Cure must be made in cash and no more than two (2) Equity Cures may be made over the lifetime of the Bonds. Equity Cures may not be made in respect of any consecutive Reference Dates. Any Equity Cure made in respect of any Reference Date shall be included until such time as that Reference Date falls outside the Reference Period.

14. SPECIAL UNDERTAKINGS

So long as any Bond remains outstanding, the Issuer undertakes to comply with the undertakings set forth in this Clause 14.

14.1 Distributions

- (a) The Issuer shall not, and shall ensure that no other Group Company will, declare or make any Distribution.
- (b) Notwithstanding paragraph (a) above, a Distribution may be declared and made, provided that such Distribution is permitted by law:

- (i) if made to the Issuer or a direct or indirect wholly-owned Subsidiary of the Issuer;
- (ii) by:
 - (A) the Issuer (if no Event of Default is continuing or would result from such Distribution); or
 - (B) any Subsidiary which is not directly or indirectly wholly-owned by the Issuer, if made also to the Issuer or any Group Company on at least a *pro rata* basis to its shareholding;

provided that at the time of such Distribution, the aggregate amount of all such Distributions (including the Distribution in question) made to any shareholder outside the Group does not exceed fifty (50.00) per cent. of the Group's consolidated net profit after taxes for the period from the first day of the most recent financial year ending prior to the First Issue Date to the end of the most recent financial year ending prior to the date of such Distribution for which Financial Statements of the Group are available (treated as one accounting period), in each case calculated according to the annual audited consolidated Financial Statements of the Group for such period;

- (iii) if made by any Group Company subject to joint venture or co-investment, in each case if made in accordance with the relevant business terms or agreements for such joint venture or co-investment;
- (iv) if no Event of Default is continuing or would result from such Distribution, if made to pay principal and/or interest under Subordinated Debt, provided that such payment is financed in full by an incurrence of new Subordinated Debt or an equity injection in cash by way of a share issue in the Issuer or an unconditional shareholder contribution to the Issuer;
- (v) if no Event of Default is continuing or would result from such Distribution, if made to pay principal and/or interest under any Vendor Loan; or
- (vi) if such Distribution is required to be made pursuant to mandatory law.

14.2 **Nature of business**

The Issuer shall ensure that no substantial change is made to the general nature of the business carried on by the Group as of the First Issue Date if such substantial change would have a Material Adverse Effect (for the avoidance of doubt this shall not prevent any member of the Group from engaging in any ancillary or related business).

14.3 **Financial Indebtedness**

The Issuer shall not, and shall ensure that no other Group Company will, incur, maintain, prolong, renew or extend any Financial Indebtedness, provided however that the Group Companies have a right to incur, maintain, prolong, renew or extend Financial Indebtedness that constitutes Permitted Financial Indebtedness.

14.4 **Financial support**

The Issuer shall not, and shall ensure that no other Group Company will, be a creditor in respect of any Financial Support, other than:

- (a) in the ordinary course of business of the relevant Group Company (including, for the avoidance of doubt, in the form of shareholder loans granted by a Group Company to a joint venture in which the relevant Group Company holds an interest);
- (b) any Financial Support made, granted or given by any Group Company to or for the benefit of any Group Company (including any Financial Support granted by a Group Company to or for the benefit of a joint venture in which any Group Company holds an interest);
- (c) any Financial Support granted in connection with leases in respect of real property or premises in the ordinary course of business of the relevant Group Company;
- (d) in the form of guarantees from any Group Company granted in relation to any Permitted Financial Indebtedness; or
- (e) any Permitted Security.

14.5 **Negative Pledge**

The Issuer shall not, and shall ensure that no other Group Company will, provide, prolong or renew any Security over any of its/their assets (present or future) to secure Financial Indebtedness, provided however that the Group Companies have a right to provide, prolong and renew any Permitted Security.

14.6 **Disposal of assets**

The Issuer shall not, and shall procure that no other Group Company will, sell or otherwise dispose of all or substantially all of its assets (including shares or other securities in any person) or operations to any person not being a Group Company, unless to the best of its knowledge and belief at the time of the transaction (having made due and careful enquiry), the transaction is carried out at fair market value and on terms and conditions customary for such transaction and provided that it does not have a Material Adverse Effect.

14.7 **Dealings with related parties**

The Issuer shall, and shall ensure that each other Group Company will, to the best of its knowledge and belief at the time of the transaction (having made due and careful enquiry), conduct all dealings with the direct and indirect shareholders of the Group Companies (excluding other Group Companies) and/or any Affiliates of such direct and indirect shareholders on arm's length terms.

14.8 **Compliance with laws and authorisations**

The Issuer shall, and shall ensure that each other Group Company will:

- (a) comply with all laws and regulations applicable from time to time (including but not limited to the rules and regulations of any Regulated Market or MTF on which a Group Company's securities from time to time are listed or admitted to trading); and

- (b) obtain, maintain, and comply with, the terms and conditions of any authorisation, approval, licence, registration or other permit required for the business carried out by a Group Company,

in each case, if failure to do so has or will have a Material Adverse Effect.

14.9 **Agency Agreement**

- (a) The Issuer shall, in accordance with the Agency Agreement:
 - (i) pay fees to the Agent and/or indemnify the Agent for costs, losses and liabilities, in each case as duly requested by the Agent in writing and duly received by the Issuer;
 - (ii) furnish to the Agent all information reasonably requested by or otherwise required to be delivered to the Agent within a reasonable time and scope agreed between both parties (acting in good faith); and
 - (iii) not act in a way which would result in the Agent terminating the Agency Agreement.
- (b) The Issuer and the Agent shall not agree to amend any provisions of the Agency Agreement without the prior consent of the Bondholders if the amendment would be detrimental to the interests of the Bondholders.

14.10 **CSD related undertakings**

The Issuer shall keep the Bonds affiliated with a CSD and comply with all applicable CSD Regulations, if failure to comply would render payments via CSD impossible.

15. **TERMINATION OF THE BONDS**

Each of the events or circumstances set out in this Clause 15 is an Event of Default (save for Clause 15.11 (*Termination*) and Clause 15.12 (*Distribution of proceeds*)). For avoidance of doubt, any application of Clause 10.2 following a Mandatory Interest Event shall not constitute an Event of Default.

15.1 **Non-payment**

The Issuer fails to pay an amount on the date it is due in accordance with the Finance Documents unless its failure to pay is due to technical or administrative error and is remedied within five (5) Business Days of its due date.

15.2 **Maintenance Test**

Subject to the Equity Cure, the Issuer fails to comply with the Maintenance Test on any Reference Date.

15.3 **Other obligations**

- (a) The Issuer does not comply with its obligations under the Finance Documents (other than as set out under Clause 15.1 (*Non-payment*)) or Clause 15.2 (*Maintenance Test*))

provided in each case that the non-compliance has or will have a Material Adverse Effect.

- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of being remedied and is remedied within fifteen (15) Business Days of the earlier of:
 - (i) the Agent giving notice to the Issuer; and
 - (ii) the Issuer becoming aware of the failure to comply.

15.4 **Cross payment default and cross acceleration**

- (a) Any Financial Indebtedness of a Group Company is not paid when due as extended by any originally applicable grace period, or is declared to be due and payable prior to its specified maturity as a result of an event of default (however described).
- (b) No Event of Default will occur under this Clause 15.4 if:
 - (i) the Financial Indebtedness is owed by a Group Company to another Group Company; or
 - (ii) the aggregate amount of Financial Indebtedness falling within paragraph (a) above is less than ten (10.00) per cent. of the total equity of the Group calculated on a consolidated basis according to the latest Financial Statements.

15.5 **Insolvency**

- (a) The Issuer is unable or admits inability to pay its debts as they fall due or is declared to be unable to pay its debts under applicable law, suspends making payments on its debts generally or, by reason of actual or anticipated financial difficulties, commences negotiations with its creditors generally (other than under the Terms and Conditions) with a view to rescheduling its Financial Indebtedness, in each case if such event has or will have a Material Adverse Effect.
- (b) A moratorium is declared in respect of the Financial Indebtedness of the Issuer.

15.6 **Insolvency proceedings**

- (a) Any corporate action, legal proceedings or other procedures are taken in relation to:
 - (i) the suspension of payments, winding-up, dissolution, administration or reorganisation (by way of voluntary agreement, scheme of arrangement or otherwise) of the Issuer;
 - (ii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager or other similar officer in respect of the Issuer or any of its assets; or
 - (iii) any analogous procedure or step is taken in any jurisdiction in respect of the Issuer.
- (b) Paragraph (a) above shall not apply to:

- (i) proceedings or petitions which are being disputed in good faith and are discharged, stayed or dismissed within ninety (90) calendar days of commencement or, if earlier, the date on which it is advertised;
- (ii) proceedings, actions or petitions which are being disputed in good faith, if the Issuer will submit evidence satisfactory to the Agent, in its sole discretion, that such was illegitimate, frivolous or vexatious, within ninety (90) calendar days of commencement or, if earlier, the date on which it is advertised; or
- (iii) in relation to Group Companies, other than the Issuer, solvent liquidation.

15.7 **Mergers and demergers**

A decision is made that the Issuer shall be demerged or merged if such merger or demerger has or will have a Material Adverse Effect, provided that a merger involving the Issuer, where the Issuer is not the surviving entity, shall always be considered an Event of Default.

15.8 **Creditors' process**

Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Issuer to satisfy claims having an aggregate value equal to or exceeding ten (10.00) per cent. of the total equity of the Group calculated on a consolidated basis according to the latest Financial Statements and is not discharged within ninety (90) calendar days.

15.9 **Impossibility or illegality**

- (a) It is or becomes impossible or unlawful for the Issuer to fulfil or perform any of the provisions of the Finance Documents, or if any such obligations under the Finance Documents are not, or cease to be, legal, valid, binding and enforceable, in each case provided that it has or will have a Material Adverse Effect.
- (b) No Event of Default will occur under this Clause 15.9 due to illegality of the Issuer to perform its obligations under Clause 14 (*Special undertakings*) or its payment obligations under the Finance Documents:
 - (i) until expiry of the period for notice of redemption pursuant to Clause 11.4 (*Early voluntary total redemption due to illegality (call option)*);
 - (ii) until expiry of the period for notice of redemption pursuant to Clause 11.6 (*Clean-up early voluntary total redemption due to illegality (call option)*); or
 - (iii) if the Issuer has given notice of a redemption in full pursuant to Clause 11.4 (*Early voluntary total redemption due to illegality (call option)*) and provided that such redemption is duly exercised.

15.10 **Cessation of business**

The Issuer ceases to carry on its business if such discontinuation has or will have a Material Adverse Effect.

15.11 Termination

- 15.11.1 If an Event of Default has occurred and is continuing, the Agent is entitled to, and shall following a demand in writing from a Bondholder (or Bondholders) representing at least fifty (50.00) per cent. of the Adjusted Nominal Amount (such demand shall, if made by several Bondholders, be made by them jointly) or following an instruction or decision pursuant to Clause 15.11.3 or 15.11.5, on behalf of the Bondholders, by notice to the Issuer terminate the Bonds and to declare all, but not some only, of the Bonds due for payment immediately or at such later date as the Agent determines (such later date not falling later than twenty (20) Business Days from the date on which the Agent made such declaration) and exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.
- 15.11.2 The Agent may not terminate the Bonds in accordance with Clause 15.11.1 by reference to a specific Event of Default if it is no longer continuing or if it has been decided, in accordance with these Terms and Conditions, to waive such Event of Default (temporarily or permanently). However, if a moratorium occurs, the ending of that moratorium will not prevent termination for payment prematurely on the grounds mentioned under Clause 15.11.1.
- 15.11.3 The Agent shall notify the Bondholders of an Event of Default within five (5) Business Days of the date on which the Agent received notice of or gained actual knowledge of that an Event of Default has occurred and is continuing. Notwithstanding the aforesaid, the Agent may postpone a notification of an Event of Default (other than in relation to Clause 15.1 (*Non-payment*)) up until the time stipulated in Clause 15.11.4 for as long as, in the reasonable opinion of the Agent such postponement is in the interests of the Bondholders as a group. The Agent shall always be entitled to take the time necessary to determine whether an event constitutes an Event of Default.
- 15.11.4 The Agent shall, within twenty (20) Business Days of the date on which the Agent received notice of or otherwise gained actual knowledge of that an Event of Default has occurred and is continuing, decide if the Bonds shall be so terminated. If the Agent has decided not to terminate the Bonds, the Agent shall, at the earliest possible date, notify the Bondholders that there exists a right of termination and obtain instructions from the Bondholders according to the provisions in Clause 16 (*Decisions by Bondholders*). If the Bondholders vote in favour of termination and instruct the Agent to terminate the Bonds, the Agent shall promptly declare the Bonds terminated. However, if the cause for termination according to the Agent's appraisal has ceased before the termination, the Agent shall not terminate the Bonds. The Agent shall in such case, at the earliest possible date, notify the Bondholders that the cause for termination has ceased. The Agent shall always be entitled to take the time necessary to consider whether an occurred event constitutes an Event of Default.
- 15.11.5 If the Bondholders, without any prior initiative to decision from the Agent or the Issuer, have made a decision regarding termination in accordance with Clause 16 (*Decisions by Bondholders*), the Agent shall promptly declare the Bonds terminated. The Agent is however not liable to take action if the Agent considers cause for termination not to be at hand, unless the instructing Bondholders agree in writing to indemnify and hold the Agent harmless from any loss or liability and, if requested by the Agent in its discretion, grant sufficient security for such indemnity.

- 15.11.6 If the Bonds are declared due and payable in accordance with the provisions in this Clause 15, the Agent shall take every reasonable measure necessary to recover the amounts outstanding under the Bonds.
- 15.11.7 If the right to terminate the Bonds is based upon a decision of a court of law, an arbitral tribunal or a government authority, it is not necessary that the decision has become enforceable under any applicable regulation or that the period of appeal has expired in order for cause of termination to be deemed to exist.
- 15.11.8 For the avoidance of doubt, the Bonds cannot be terminated and become due for payment prematurely according to this Clause 15 without relevant decision by the Agent or following instructions from the Bondholders' pursuant to Clause 16 (*Decisions by Bondholders*).
- 15.11.9 If the Bonds are declared due and payable in accordance with this Clause 15, the Issuer shall redeem all Bonds with an amount per Bond equal to one hundred and one (101.00) per cent. of the Nominal Amount together with accrued but unpaid Interest.

15.12 **Distribution of proceeds**

15.12.1 If the Bonds have been declared due and payable in accordance with this Clause 15, all payments by the Issuer relating to the Bonds shall be distributed in the following order of priority, in accordance with the instructions of the Agent:

- (a) *firstly*, in or towards payment *pro rata* of:
- (i) all unpaid fees, costs, expenses and indemnities payable by the Issuer to the Agent under the Finance Documents;
 - (ii) other costs, expenses and indemnities relating to the acceleration of the Bonds or the protection of the Bondholders' rights under the Finance Documents;
 - (iii) any non-reimbursed costs incurred by the Agent for External Experts under the Finance Documents; and
 - (iv) any non-reimbursed costs and expenses incurred by the Agent in relation to a Bondholders' Meeting or a Written Procedure;
- (b) *secondly*, in or towards payment *pro rata* of accrued but unpaid interest under the Bonds (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 Bonds; and
- (d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents, including any default interest.

Any excess funds after the application of proceeds in accordance with paragraphs (a) to (d) above shall be paid to the Issuer. The application of proceeds in accordance with paragraphs (a) to (d) above shall, however, not restrict a Bondholders' Meeting or a Written Procedure from resolving that accrued Interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

- 15.12.2 If a Bondholder or another party has paid any fees, costs, expenses or indemnities referred to in Clause 15.12.1, such Bondholder or other party shall be entitled to reimbursement by way of a corresponding distribution in accordance with Clause 15.12.1.
- 15.12.3 Funds that the Agent receives (directly or indirectly) in connection with the termination of the Bonds constitute escrow funds (Sw. *redovisningsmedel*) according to the Escrow Funds Act (Sw. *lag (1944:181) om redovisningsmedel*) and must be held on a separate bank account on behalf of the Bondholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15.12 as soon as reasonably practicable.
- 15.12.4 If the Issuer or the Agent shall make any payment under this Clause 15.12, the Issuer or the Agent, as applicable, shall notify the Paying Agent and the Bondholders of any such payment at least ten (10) 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. The relevant Record Date shall be agreed upon between the Issuer, the CSD and the Agent in connection with such payment.

16. DECISIONS BY BONDHOLDERS

16.1 Request for a decision

- 16.1.1 A request by the Agent for a decision by the Bondholders on a matter relating to these Terms and Conditions shall (at the option of the Agent) be dealt with at a Bondholders' Meeting or by way of a Written Procedure.
- 16.1.2 Any request from the Issuer or a Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount (such request shall, if made by several Bondholders, be made by them jointly) for a decision by the Bondholders on a matter relating to these Terms and Conditions shall be directed to the Agent and dealt with at a Bondholders' Meeting or by way of 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 Bondholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Bondholders' Meeting.
- 16.1.3 The Agent may refrain from convening a Bondholders' Meeting or instigating a Written Procedure if the suggested decision must be approved by any Person in addition to the Bondholders and such Person has informed the Agent that an approval will not be given or the suggested decision is not in accordance with applicable regulations.
- 16.1.4 The Agent shall not be responsible for the content of a notice for a Bondholders' Meeting or a communication regarding a Written Procedure unless and to the extent it contains information provided by the Agent.
- 16.1.5 Should the Agent not convene a Bondholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the Person requesting a decision by the Bondholders may convene such Bondholders' Meeting or instigate such Written Procedure, as the case may be, itself. If the requesting Person is a

Bondholder, the Issuer shall upon request from such Bondholder provide the Bondholder with necessary information from the Debt Register in order to convene and hold the Bondholders' Meeting or instigate and carry out the Written Procedure, as the case may be. If no Person has been appointed by the Agent to open the Bondholders' Meeting, the meeting shall be opened by a Person appointed by the requesting Person.

16.1.6 Should the Issuer want to replace the Agent, it may convene a Bondholders' Meeting in accordance with Clause 16.2.1 or instigate a Written Procedure by sending communication in accordance with Clause 16.3.1. After a request from the Bondholders pursuant to Clause 19.4.3, 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 Bondholders' Meeting in accordance with Clause 16.2.1. The Issuer shall inform the Agent before a notice for a Bondholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and supply to the Agent a copy of the dispatched notice or communication.

16.2 **Bondholders' Meeting**

16.2.1 The Agent shall convene a Bondholders' Meeting by sending a notice thereof to each Bondholder through the CSD no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons). If the Bondholders' Meeting has been requested by the Bondholder(s), the Agent shall send a copy of the notice to the Issuer.

16.2.2 The notice pursuant to Clause 16.2.1 shall include:

- (a) the time for the meeting;
- (b) the place for the meeting;
- (c) an agenda for the meeting (including each request for a decision by the Bondholders);
- (d) a form of power of attorney; and
- (e) should prior notification by the Bondholders be required in order to attend the Bondholders' Meeting, such requirement shall be included in the notice.

Only matters that have been included in the notice may be resolved upon at the Bondholders' Meeting.

16.2.3 The Bondholders' Meeting shall be held no earlier than ten (10) Business Days and no later than twenty (20) Business Days from the notice.

16.2.4 At a Bondholders' Meeting, the Issuer, the Bondholders (or the Bondholders' representatives/proxies) and the Agent may attend along with each of their representatives, counsels and assistants. Further, the directors of the board, the managing director and other officials of the Issuer and the Issuer's auditors may attend the Bondholders' Meeting. The Bondholders' Meeting may decide that further individuals may attend. If a representative/proxy shall attend the Bondholders' Meeting instead of the Bondholder, the representative/proxy shall present a duly executed proxy or other document establishing its authority to represent the Bondholder.

16.2.5 Without amending or varying these Terms and Conditions, the **Agent** may prescribe such further regulations regarding the convening and holding of a Bondholders' Meeting as the **Agent** may deem appropriate. Such regulations may include a possibility for Bondholders to vote without attending the meeting in Person.

16.3 **Written Procedure**

16.3.1 The Agent shall instigate a Written Procedure no later than five (5) Business Days after receipt of a request from the Issuer or the Bondholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each Bondholder through the CSD. If the Written Procedure has been requested by the Bondholder(s), the Agent shall send a copy of the communication to the Issuer.

16.3.2 A communication pursuant to Clause 16.3.1 shall include:

- (a) each request for a decision by the Bondholders;
- (b) a description of the reasons for each request;
- (c) a specification of the Business Day on which a Person must be a Bondholder (whether registered or a beneficial owner with proof of ownership in accordance with Clause 8 (*Right to act on behalf of a Bondholder*) in order to be entitled to exercise voting rights;
- (d) 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;
- (e) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least ten (10) Business Days but no more than twenty (20) Business Days from the communication pursuant to Clause 16.3.1); and
- (f) if the voting shall be made electronically, instructions for such voting.

16.3.3 When the requisite majority consents of the aggregate Adjusted Nominal Amount pursuant to Clause 16.4.2 and 16.4.3 have been received in a Written Procedure, the relevant decision shall be deemed to be adopted pursuant to Clause 16.4.2 or 16.4.3, as the case may be, even if the time period for replies in the Written Procedure has not yet expired.

16.4 **Majority, quorum and other provisions**

16.4.1 Only a Person who is, or who has been provided with a power of attorney or other proof of authorisation pursuant to Clause 8 (*Right to act on behalf of a Bondholder*) from a Person who is, registered as a Bondholder:

- (a) on the Record Date prior to the date of the Bondholders' Meeting, in respect of a Bondholders' Meeting, or
- (b) on the Business Day specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Bondholder at such Bondholders' Meeting or in such Written Procedure, provided that the relevant Bonds are included in the definition of Adjusted Nominal Amount.

- 16.4.2 The following matters shall require consent of Bondholders representing at least sixty-six and two thirds ($66\frac{2}{3}$) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2:
- (a) amend the terms of Clause 2 (*Status of the Bonds*);
 - (b) amend the terms of Clause 15.12 (*Distribution of proceeds*);
 - (c) a mandatory exchange of the Bonds for other securities;
 - (d) reduce the principal amount, premiums in connection with redemption or repurchase of any Bonds, Interest Rate or Interest which shall be paid by the Issuer (other than as a result of an application of Clause 10.2 and Clause 18 (*Replacement of Base Rate*));
 - (e) amend any payment day for principal or Interest or waive any breach of a payment undertaking;
 - (f) a change of issuer; or
 - (g) amend the provisions in this Clause 16.4.2 or in Clause 16.4.3.
- 16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Bondholders representing more than fifty (50.00) per cent. of the Adjusted Nominal Amount for which Bondholders are voting at a Bondholders' Meeting or for which Bondholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to or waiver of these Terms and Conditions that does not require a higher majority (other than an amendment or waiver permitted pursuant to paragraphs (a) to (f) of Clause 17.1) or a termination of the Bonds.
- 16.4.4 If the number of votes or replies are equal, the opinion which is most beneficial for the Issuer, according to the chairman at a Bondholders' Meeting or the Agent in a Written Procedure, will prevail. The chairman at a Bondholders' Meeting shall be appointed by the Bondholders in accordance with Clause 16.4.3.
- 16.4.5 Quorum at a Bondholders' Meeting or in respect of a Written Procedure only exists if a Bondholder (or Bondholders) representing at least twenty (20) per cent. of the Adjusted Nominal Amount:
- (a) if at a Bondholders' 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.
- 16.4.6 If a quorum does not exist at a Bondholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Bondholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the relevant proposal has not been withdrawn by the Person(s) who initiated the procedure for Bondholders' consent. The quorum requirement in Clause 16.4.5 shall not apply to such second Bondholders' Meeting or Written Procedure.
- 16.4.7 Any decision which extends or increases the obligations of a Group Company or the Agent, or limits, reduces or extinguishes the rights or benefits of a Group Company or the Agent,

under the Finance Documents shall be subject to the Issuer's or the Agent's consent, as appropriate.

- 16.4.8 A Bondholder holding more than one Bond 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.
- 16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any Bondholder for or as inducement to any consent under these Terms and Conditions, unless such consideration is offered to all Bondholders that consent at the relevant Bondholders' 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.
- 16.4.10 A matter decided at a duly convened and held Bondholders' Meeting or by way of Written Procedure is binding on all Bondholders, irrespective of them being present or represented at the Bondholders' Meeting or responding in the Written Procedure. The Bondholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause other Bondholders.
- 16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Bondholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.
- 16.4.12 If a decision shall be taken by the Bondholders on a matter relating to these Terms and Conditions, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Bonds owned by Group Companies or (to the knowledge of the Issuer) their Affiliates, irrespective of whether such Person is directly registered as owner of such Bonds. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible to determine whether a Bond is owned by a Group Company or an Affiliate of a Group Company.
- 16.4.13 Information about decisions taken at a Bondholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to the Bondholders and published on the websites 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 Bondholders' Meeting or Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

17. AMENDMENTS AND WAIVERS

- 17.1 The Issuer and the Agent (acting on behalf of the Bondholders) may agree in writing to amend the Finance Documents or waive any provision in the Finance Documents, provided that the Agent is satisfied that such amendment or waiver:
- (a) is not detrimental to the interest of the Bondholders;
 - (b) is made solely for the purpose of rectifying obvious errors and mistakes;
 - (c) is required by applicable regulation, a court ruling or a decision by a relevant authority;
 - (d) is necessary for the purpose of having the Bonds admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market or MTF, as applicable),

- provided that such amendment or waiver does not materially adversely affect the rights of the Bondholders;
- (e) is made pursuant to Clause 18 (*Replacement of Base Rate*);
 - (f) has been duly approved by the Bondholders in accordance with Clause 16 (*Decisions by Bondholders*) and it has received any conditions precedent specified for the effectiveness of the approval by the Bondholders; or
- 17.2 The Agent shall promptly notify the Bondholders of any amendments or waivers made in accordance with Clause 17.1, setting out the date from which the amendment or waiver will be effective, and ensure that any amendments to these Terms and Conditions are available on the websites of the Issuer and the Agent. The Issuer shall ensure that any amendments to these Terms and Conditions are duly registered with the CSD and each other relevant organisation or authority.
- 17.3 An amendment or waiver to the Finance Documents shall take effect on the date determined by the Bondholders' Meeting, in the Written Procedure or by the Agent, as the case may be.
- 17.4 In addition to Clause 17.1, in connection with a full redemption of all outstanding Bonds and subject to the terms in this Clause 17.4, the Agent may agree in writing to waive any or all provisions in the Finance Documents. Any waiver provided in accordance with this Clause 17.4 may be made at the Agent's sole discretion (acting on behalf of the Bondholders) without having to obtain the consent of the Bondholders provided that:
- (a) at the latest on the date on which the waiver becomes effective, an amount corresponding to the total nominal amount outstanding under the Bonds as well as any applicable Call Option Amount and, any accrued but unpaid Interest and any other amounts due to be paid to the Agent and/or the Bondholders under or in respect of the Finance Document until the relevant Redemption Date is transferred to a pledged account held by the Issuer with a reputable Swedish bank subject to duly perfected first ranking security in favour of the Agent and the Bondholders; and
 - (b) the Issuer undertakes to redeem and/or repurchase and cancel all outstanding Bonds in full within four (4) months from the date on which the waiver becomes effective.
- 17.5 Notwithstanding the above, any waiver provided by the Agent will not affect the Issuer's obligations under Clause 14.8 (*Compliance with laws and authorisations*), Clause 14.9 (*Agency Agreement*), or Clause 14.10 (*CSD related undertakings*) or, to the extent such provisions relate to the Issuer, the Agent's and the Bondholders' rights to terminate the Bonds pursuant to Clause 15.1 (*Non-payment*), Clause 15.6 (*Insolvency proceedings*), Clause 15.5 (*Insolvency*) or Clause 15.8 (*Creditors' process*) of Clause 15 (*Acceleration of the Bonds*).
- 17.6 Redemption of the Bonds in full in accordance with this Clause shall be made by the Issuer giving notice to the Bondholders in accordance with Clause 11.3 (*Early voluntary total redemption (call option)*), but such notice may not contain any conditions precedent following the effectiveness of the waiver.

18. REPLACEMENT OF BASE RATE

18.1 General

- 18.1.1 Any determination or election to be made by an Independent Adviser, the Issuer or the Bondholders in accordance with the provisions of this Clause 18 shall at all times be made by such Independent Adviser, the Issuer or the Bondholders (as applicable) acting in good faith, in a commercially reasonable manner and by reference to relevant market data.
- 18.1.2 If a Base Rate Event has occurred, this Clause 18 shall take precedent over the fallbacks set out in paragraph (b) to (d) of the definition of EURIBOR.

18.2 Definitions

In this Clause 18:

“**Adjustment Spread**” means a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, or a combination thereof to be applied to a Successor Base Rate and that is:

- (a) formally recommended by any Relevant Nominating Body in relation to the replacement of the Base Rate; or
- (b) if (a) is not applicable, the adjustment spread that the Independent Adviser determines is reasonable to use in order to eliminate, to the extent possible, any transfer of economic value from one party to another as a result of a replacement of the Base Rate and is customarily applied in comparable debt capital market transactions.

“**Base Rate Administrator**” means European Money Markets Institute (EMMI) in relation to EURIBOR or any person replacing it as administrator of the Base Rate.

“**Base Rate Amendments**” has the meaning set forth in Clause 18.3.4.

“**Base Rate Event**” means one or several of the following circumstances:

- (a) the Base Rate (for the relevant Interest Period) has ceased to exist or ceased to be published for at least five (5) consecutive Business Days as a result of the Base Rate (for the relevant Interest Period) ceasing to be calculated or administered;
- (b) a public statement or publication of information by (i) the supervisor of the Base Rate Administrator or (ii) the Base Rate Administrator that the Base Rate Administrator ceases to provide the applicable Base Rate (for the relevant Interest Period) permanently or indefinitely and, at the time of the statement or publication, no successor administrator has been appointed or is expected to be appointed to continue to provide the Base Rate;
- (c) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator that the Base Rate (for the relevant Interest Period) is no longer representative of the underlying market which the Base Rate is intended to represent and the representativeness of the Base Rate will not be restored in the opinion of the supervisor of the Base Rate Administrator;

- (d) a public statement or publication of information in each case by the supervisor of the Base Rate Administrator with the consequence that it is unlawful for the Issuer or the Paying Agent to calculate any payments due to be made to any Bondholder using the applicable Base Rate (for the relevant Interest Period) or it has otherwise become prohibited to use the applicable Base Rate (for the relevant Interest Period);
- (e) a public statement or publication of information in each case by the bankruptcy trustee of the Base Rate Administrator or by the trustee under the bank recovery and resolution framework (Sw. *krishanteringsregelverket*), or in respect of EURIBOR, from the equivalent entity with insolvency or resolution powers over the Base Rate Administrator, containing the information referred to in (b) above; or
- (f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in (b) to (e) above will occur within six (6) months.

“**Base Rate Event Announcement**” means a public statement or published information as set out in paragraph (b) to (e) of the definition of Base Rate Event that any event or circumstance specified therein will occur.

“**Independent Adviser**” means an independent financial institution or adviser of repute in the debt capital markets where the Base Rate is commonly used.

“**Relevant Nominating Body**” means, subject to applicable law, firstly any relevant supervisory authority, secondly any applicable central bank, or any working group or committee of any of them, or thirdly the Financial Stability Board or any part thereof.

“**Successor Base Rate**” means:

- (a) a screen or benchmark rate, including the methodology for calculating term structure and calculation methods in respect of debt instruments with similar interest rate terms as the Bonds, which is formally recommended as a successor to or replacement of the Base Rate by a Relevant Nominating Body; or
- (b) if there is no such rate as described in paragraph (a), such other rate as the Independent Adviser determines is most comparable to the Base Rate.

For the avoidance of doubt, in the event that a Successor Base Rate ceases to exist, this definition shall apply mutatis mutandis to such new Successor Base Rate.

18.3 **Determination of Base Rate, Adjustment Spread and Base Rate Amendments**

18.3.1 Without prejudice to Clause 18.3.2, upon a Base Rate Event Announcement, the Issuer may, if it is possible to determine a Successor Base Rate at such point of time, at any time before the occurrence of the relevant Base Rate Event at the Issuer’s expense appoint an Independent Adviser to initiate the procedure to determine a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate. For the avoidance of doubt, the Issuer will not be obliged to take any such actions until obliged to do so pursuant to Clause 18.3.2.

18.3.2 If a Base Rate Event has occurred, the Issuer shall use all commercially reasonable endeavours to, as soon as reasonably practicable and at the Issuer’s expense, appoint an Independent

Adviser to initiate the procedure to determine, as soon as commercially reasonable, a Successor Base Rate, the Adjustment Spread and any Base Rate Amendments for purposes of determining, calculating and finally deciding the applicable Base Rate.

- 18.3.3 If the Issuer fails to appoint an Independent Adviser in accordance with Clause 18.3.2 and does not provide evidence that all commercially reasonable endeavours are being taken to appoint the Independent Advisor, the Bondholders shall, if so decided at a Bondholders' Meeting or by way of Written Procedure, be entitled to appoint an Independent Adviser (at the Issuer's expense) for the purposes set forth in Clause 18.3.2. If an Event of Default has occurred and is continuing, or if the Issuer fails to carry out any other actions set forth in Clause 18.3 to 18.6, the Agent (acting on the instructions of the Bondholders) may to the extent necessary effectuate any Base Rate Amendments without the Issuer's cooperation.
- 18.3.4 The Independent Adviser shall also initiate the procedure to determine any technical, administrative or operational changes required to ensure the proper operation of a Successor Base Rate or to reflect the adoption of such Successor Base Rate in a manner substantially consistent with market practice ("**Base Rate Amendments**").
- 18.3.5 Provided that a Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments have been finally decided no later than prior to the relevant Quotation Day in relation to the next succeeding Interest Period, they shall become effective with effect from and including the commencement of the next succeeding Interest Period, always subject to any technical limitations of the CSD and any calculations methods applicable to such Successor Base Rate.

18.4 **Interim measures**

- 18.4.1 If a Base Rate Event set out in any of the paragraphs (a) to (e) of the Base Rate Event definition has occurred but no Successor Base Rate and Adjustment Spread have been finally decided prior to the relevant Quotation Day in relation to the next succeeding Interest Period or if such Successor Base Rate and Adjustment Spread have been finally decided but due to technical limitations of the CSD, cannot be applied in relation to the relevant Quotation Day, the Interest Rate applicable to the next succeeding Interest Period, subject to the application of Clause 10.2, shall be:
- (a) if the previous Base Rate is available, determined pursuant to the terms that would apply to the determination of the Base Rate as if no Base Rate Event had occurred; or
 - (b) if the previous Base Rate is no longer available or cannot be used in accordance with applicable law or regulation, equal to the Interest Rate determined for the immediately preceding Interest Period.
- 18.4.2 For the avoidance of doubt, Clause 18.4.1 shall apply only to the relevant next succeeding Interest Period and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustments as provided in, this Clause 18. This will however not limit the application of Clause 18.4.1 for any subsequent Interest Periods, should all relevant actions provided in this Clause 18 have been taken, but without success.

18.5 **Notices etc.**

Prior to the Successor Base Rate, the applicable Adjustment Spread and any Base Rate Amendments become effective the Issuer shall promptly, following the final decision by the Independent Adviser of any Successor Base Rate, Adjustment Spread and any Base Rate Amendments, give notice thereof to the Agent, the Paying Agent and the Bondholders in accordance with Clause 24 (*Notices and press releases*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Bonds are admitted to trading on a stock exchange, the Issuer shall also give notice of the amendments to the relevant stock exchange.

18.6 **Variation upon replacement of Base Rate**

18.6.1 No later than giving the Agent notice pursuant to Clause 18.5, the Issuer shall deliver to the Agent a certificate signed by the Independent Adviser and the CEO, CFO or any other duly authorised signatory of the Issuer (subject to Clause 18.3.3) confirming the relevant Successor Base Rate, the Adjustment Spread and any Base Rate Amendments, in each case as determined and decided in accordance with the provisions of this Clause 18. The Successor Base Rate, the Adjustment Spread and any Base Rate Amendments (as applicable) specified in such certificate will, in the absence of manifest error or bad faith in any decision, be binding on the Issuer, the Agent, the Paying Agent and the Bondholders.

18.6.2 Subject to receipt by the Agent of the certificate referred to in Clause 18.6.1, the Issuer and the Agent shall, at the request and expense of the Issuer, without the requirement for any consent or approval of the Bondholders, without undue delay effect such amendments to the Finance Documents as may be required by the Issuer in order to give effect to this Clause 18.

18.6.3 The Agent and the Paying Agent shall always be entitled to consult with External Experts prior to amendments are effected pursuant to this Clause 18 (the scope of engagement for any such External Experts shall be agreed between the Agent and the Issuer (acting in good faith). Neither the Agent nor the Paying Agent shall be obliged to concur if in the reasonable opinion of the Agent (as applicable), doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Agent or the Paying Agent in the Finance Documents.

18.7 **Limitation of liability for the Independent Adviser**

Any Independent Adviser appointed pursuant to Clause 18.3 shall not be liable whatsoever for damage or loss caused by any determination, action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or willful misconduct. The Independent Adviser shall never be responsible for indirect or consequential loss.

19. **THE AGENT**

19.1 **Appointment of the Agent**

19.1.1 By subscribing for Bonds, each initial Bondholder appoints the Agent to act as its agent in all matters relating to the Bonds 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 Bonds held by such Bondholder, including the winding-up, dissolution, liquidation, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or its equivalent in any other jurisdiction) of the Issuer.

- 19.1.2 By acquiring Bonds, each subsequent Bondholder confirms the appointment and authorisation for the Agent to act on its behalf, as set forth in Clause 19.1.1.
- 19.1.3 Each Bondholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney, 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 Bondholder which does not comply with such request.
- 19.1.4 The Issuer shall promptly upon request provide the Agent with any documents and other assistance, that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.
- 19.1.5 The Agent is entitled to fees for all its work in such capacity and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agent's obligations as agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.
- 19.1.6 The Agent may act as agent or trustee and/or security agent for several issues of securities or other loans issued by or relating to the Issuer and other Group Companies notwithstanding potential conflicts of interest.

19.2 **Duties of the Agent**

- 19.2.1 The Agent shall represent the Bondholders in accordance with the Finance Documents.
- 19.2.2 When acting pursuant to the Finance Documents, the Agent is always acting with binding effect on behalf of the Bondholders. The Agent is never acting as an advisor to the Bondholders or the Issuer. Any advice or opinion from the Agent does not bind the Bondholders or the Issuer.
- 19.2.3 When acting pursuant to the Finance Documents, the Agent shall carry out its duties with reasonable care and skill in a proficient and professional manner.
- 19.2.4 The Agent shall treat all Bondholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders as a group 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.
- 19.2.5 The Agent is always entitled to delegate its duties to other professional parties and to engage External Experts when carrying out its duties as agent, without having to first obtain any consent from the Bondholders or the Issuer (the scope of engagement for any External Experts shall be agreed between the Agent and the Issuer (acting in good faith) if no Event of Default has occurred and is continuing, and shall in any case always be reasonable in relation to the Agent's duties as agent pursuant to the Finance Documents). The Agent shall however remain

liable for any actions of such parties if such parties are performing duties of the Agent under the Finance Documents.

- 19.2.6 The Issuer shall on demand by the Agent pay all reasonable costs for External Experts:
- (a) after the occurrence of an Event of Default in connection with the termination of the Bonds;
 - (b) for the purpose of investigating or considering:
 - (i) an event or circumstance which the Agent reasonably believes is or may lead to an Event of Default; 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 Bondholders under the Finance Documents,in each case, initiated after consultation with the Issuer about the relevant event, circumstance or matter;
 - (c) in connection with any Bondholders' Meeting or Written Procedure; or
 - (d) 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 15.12 (*Distribution of proceeds*).

- 19.2.7 The Agent shall, as applicable, enter into agreements with the CSD, and comply with such agreement 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.

- 19.2.8 The Agent may, subject to Issuer's approval, instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

- 19.2.9 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor:

- (a) whether any Event of Default has occurred;
- (b) the financial condition of the Issuer and the Group;
- (c) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents; or
- (d) whether any other event specified in any Finance Document has occurred or is expected to occur.

Should the Agent not receive such information, the Agent is entitled to assume that no such event or circumstance exists or can be expected to occur, provided that the Agent does not have actual knowledge of such event or circumstance.

- 19.2.10 The Agent shall (a) review each Compliance Certificate delivered to it to determine that it meets the requirements set out in Clause 12.3.2 and as otherwise agreed between the Issuer and the Agent and (b) verify that the Issuer according to its reporting in the Compliance Certificate meets the relevant financial covenant(s) or tests. The Issuer shall promptly upon request provide the Agent with such information as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 19.2.10.
- 19.2.11 The Agent shall ensure that it receives evidence satisfactory to it that Finance Documents which are required to be delivered to the Agent are duly authorised and executed (as applicable). The Issuer shall promptly upon request provide the Agent with such documents and evidence as the Agent reasonably considers necessary for the purpose of being able to comply with this Clause 19.2.11. Other than as set out above, the Agent shall neither be liable to the Issuer or the Bondholders for damage due to any documents and information delivered to the Agent not being accurate, correct and complete, unless it has actual knowledge to the contrary, nor be liable for the content, validity, perfection or enforceability of such documents.
- 19.2.12 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 regulation.
- 19.2.13 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 Bondholders, 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.
- 19.2.14 The Agent shall give a notice to the Bondholders 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 if it refrains from acting for any reason described in Clause 19.2.13.
- 19.2.15 Upon the reasonable request by a Bondholder, the Agent shall promptly distribute to the Bondholders any information from such Bondholder which relates to the Bonds (at the discretion of the Agent). The Agent may require that the requesting Bondholder reimburses any costs or expenses incurred, or to be incurred, by the Agent in doing so (including a reasonable fee for the work of the Agent) before any such information is distributed. The Agent shall upon request by a Bondholder disclose the identity of any other Bondholder who has consented to the Agent in doing so.
- 19.2.16 Subject to the restrictions of a non-disclosure agreement entered into by the Agent in connection with these Terms and Conditions, the Agent shall be entitled to disclose to the Bondholders any document, information, event or circumstance directly or indirectly relating to the Issuer or the Bonds. Notwithstanding the foregoing, the Agent may if it considers it to be beneficial to the interests of the Bondholders delay disclosure or refrain from disclosing certain information (save for that any delay in disclosing an Event of Default, which event shall be governed by Clause 15.11.3).

19.3 **Liability for the Agent**

- 19.3.1 The Agent will not be liable to the Bondholders 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.
- 19.3.2 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 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 Bondholders to delay the action in order to first obtain instructions from the Bondholders.
- 19.3.3 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 Bondholders, 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.
- 19.3.4 The Agent shall have no liability to the Issuer or the Bondholders for damage caused by the Agent acting in accordance with instructions of the Bondholders given in accordance with the Finance Documents.
- 19.3.5 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 Bondholders under the Finance Documents.

19.4 **Replacement of the Agent**

- 19.4.1 Subject to Clause 19.4.7, the Agent may, resign by giving notice to the Issuer and the Bondholders.
- 19.4.2 Subject to Clause 19.4.7, if the Agent is insolvent or becomes subject to bankruptcy proceedings, the Agent shall be deemed to resign as Agent.
- 19.4.3 A Bondholder (or Bondholders) representing at least ten (10.00) per cent. of the Adjusted Nominal Amount may, by notice to the Issuer (such notice shall, if given by several Bondholders, be given by them jointly), require that a Bondholders' Meeting is held or a Written Procedure is initiated for the purpose of dismissing the Agent.
- 19.4.4 Following a resignation of the Agent pursuant to Clause 19.4.1 and 19.4.2 above or a dismissal of the Agent pursuant to Clause 19.4.3 above, the Issuer shall within fifteen (15) Business Days appoint a successor Agent, being a reputable agent acceptable for investors in corporate bonds in general in the Swedish market.
- 19.4.5 If the Issuer has not appointed a successor Agent within fifteen (15) Business Days pursuant to Clause 19.4.4, the Bondholders shall appoint a successor Agent at a Bondholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

- 19.4.6 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.
- 19.4.7 The Agent's resignation or dismissal shall only take effect upon the earlier of:
- (a) 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; and
 - (b) ninety (90) days after the conclusion of the Bondholders' Meeting or Written Procedure as set out in Clause 19.4.5 if the Bondholders have not appointed a successor Agent.
- 19.4.8 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 Bondholders 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.
- 19.4.9 In the event that there is a change of the Agent in accordance with this Clause 19.4, 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. Unless the Issuer and the new Agent agree otherwise, the new Agent shall be entitled to the same fees and the same indemnities as the retiring Agent.

20. THE PAYING AGENT

- 20.1 The Issuer appoints the Paying Agent to manage certain specified tasks relating to the Bonds, under these Terms and Conditions, in accordance with the legislation, rules and regulations applicable to the Issuer, the Bonds and/or under the CSD Regulations.
- 20.2 The Paying 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 Paying Agent at the same time as the old Paying Agent retires or is dismissed. If the Paying Agent is insolvent, the Issuer shall immediately appoint a new Paying Agent, which shall replace the old Paying Agent as paying agent in accordance with these Terms and Conditions.
- 20.3 The Paying Agent will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with these Terms and Conditions, unless directly caused by its gross negligence or wilful misconduct. The Paying Agent shall never be responsible for indirect or consequential loss.

21. THE CSD

- 21.1 The Issuer has appointed the CSD to manage certain tasks under these Terms and Conditions and in accordance with the CSD Regulations and the other regulations applicable to the Bonds.
- 21.2 The CSD may retire from its assignment or be dismissed by the Issuer, provided that the Issuer has effectively appointed a replacement CSD that accedes as CSD at the same time as the old CSD retires or is dismissed and provided also that the replacement does not have a negative effect on any Bondholder or the admission to trading of the Bonds on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market or MTF, as applicable). The replacing CSD must be authorised to professionally conduct clearing operations and be authorised as a central securities depository in accordance with applicable law.

22. NO DIRECT ACTIONS BY BONDHOLDERS

- 22.1 A Bondholder may not take any action or legal steps whatsoever against any Group Company 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, company reorganisation (Sw. *företagsrekonstruktion*) or bankruptcy (Sw. *konkurs*) (or their equivalents in any other jurisdiction) of any Group Company in relation to any of the obligations or liabilities of such Group Company under the Finance Documents. Such steps may only be taken by the Agent.
- 22.2 Clause 22.1 shall not apply if the Agent has been instructed by the Bondholders 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 Bondholder to provide documents in accordance with Clause 19.1.2), 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 19.2.13, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.14 before a Bondholder may take any action referred to in Clause 22.1.
- 22.3 The provisions of Clause 22.1 shall not in any way limit an individual Bondholder's right to claim and enforce payments which are due to it under Clause 11.4 (*Mandatory repurchase due to a Change of Control Event or De-listing Event (put option)*) or other payments which are due by the Issuer to some but not all Bondholders.

23. TIME-BAR

- 23.1 The right to receive repayment of the principal of the Bonds shall be time-barred and become void ten (10) years from the relevant Redemption Date. The right to receive payment of interest (excluding any capitalised interest) shall be time-barred 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 Bondholders' right to receive payment has been time-barred 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 Bonds, and of three (3) years with respect to the right to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the time-bar 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 Written notices to the Bondholders made by the Agent will be sent to the Bondholders via the CSD with a copy to the Issuer and the applicable Regulated Market or MTF. Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.
- 24.1.2 Written notices to the Bondholders made by the Issuer will be sent to the Bondholders via the Agent or through the CSD with a copy to the Agent and the applicable Regulated Market or MTF.
- 24.1.3 Notwithstanding Clause 24.1.1 above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Agent on a relevant information platform only. A notice to the Bondholders shall also be published on the websites of the Issuer and the Agent.
- 24.1.4 Unless otherwise specifically provided, all notices or other communications under or in connection with the Finance Documents between the Agent and the Issuer will be given or made in writing, either by e-mail or by letter and e-mail. Any such notice or communication will be deemed to be given or made as follows:
- (a) if by letter, when delivered at the address of the relevant party;
 - (b) if by e-mail, when received; and
 - (c) if by publication on a relevant information platform, when published.
- 24.1.5 The Issuer and the Agent shall each ensure that the other party is kept informed of changes in postal address, e-mail address and telephone numbers and contact persons.
- 24.1.6 When determining deadlines set out in these Terms and Conditions, the following will apply (unless otherwise stated):
- (a) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (b) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (c) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

24.1.7 Failure to send a notice or other communication to a Bondholder or any defect in it shall not affect its sufficiency with respect to other Bondholders.

24.2 **Press releases**

24.2.1 Any notice that the Issuer or the Agent shall send to the Bondholders pursuant to Clause 11.3 (*Early voluntary total redemption (call option)*), Clause 11.4 (*Early voluntary total redemption due to illegality (call option)*), Clause 11.5 (*Mandatory repurchase due to a Change of Control Event or De-listing Event (put option)*), Clause 11.6 (*Clean-up early voluntary total redemption due to illegality (call option)*), paragraph (a)(i) of Clause 12.4 (*Information: miscellaneous*) or Clauses 15.11.3, 15.12.4, 16.4.13, 16.2.1, 16.3.1, 17.2, 18.5, 19.2.14 or 19.4.1 shall also be published by way of press release by the Issuer or the Agent, as applicable.

24.2.2 In addition to Clause 24.2.1, if any information relating to the Bonds, the Issuer or the Group contained in a notice that the Agent may send to the Bondholders 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 Bondholders give the Issuer the opportunity to issue a press release containing such information within reasonable time. If the Issuer does not within reasonable time 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 Bondholders, the Agent shall be entitled to issue such press release.

25. **FORCE MAJEURE**

25.1 Neither the Agent nor the Paying 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, civil commotion, 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 Paying Agent itself takes such measures, or is subject to such measures.

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

25.3 The provisions in this Clause 25 apply unless they are inconsistent with the provisions of the applicable securities registration legislation which provisions shall take precedence.

26. **ADMISSION TO TRADING**

26.1 The Issuer has the intention and shall use reasonable endeavours (without assuming any legal or contractual obligation other than as specifically set out in Clause 10.5) to ensure that:

- (a) the Initial Bonds are admitted to trading on any Regulated Market or MTF one (1) Business Day before Record Date for the first Interest Payment Date (being 7 August 2023); and

- (b) any Subsequent Bonds are admitted to trading on the same Regulated Market and/or MTF as the Initial Bonds within ninety (90) days from the relevant Issue Date; and
- (c) that the Bonds, once admitted to trading on any Regulated Market or MTF, continue being listed thereon (however, taking into account the rules and regulations of the relevant Regulated Market and the CSD (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds), provided that the Bonds may be delisted from an MTF in connection with the admission to trading of the Bonds on a Regulated Market.

27. GOVERNING LAW AND JURISDICTION

- 27.1 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.
 - 27.2 Any dispute or claim arising in relation to these Terms and Conditions shall, subject to Clause 27.3, be determined by Swedish courts and the City Court of Stockholm (Sw. *Stockholms tingsrätt*) shall be the court of first instance.
 - 27.3 The submission to the jurisdiction of the Swedish courts shall not limit the right of the Agent (or the Bondholders, as applicable) to take proceedings against the Issuer in any court which may otherwise exercise jurisdiction over the Issuer or any of its assets.
-

SCHEDULE 1

CONDITIONS PRECEDENT

Part 1

Conditions Precedent for Settlement – Initial Bond Issue

1. Corporate documents

- (a) Copies of the constitutional documents of the Issuer.
- (b) Copies of resolutions of the board of directors (and/or other relevant corporate body) of the Issuer:
 - (i) approving the terms of, and the transactions contemplated by, the documents set out in Section 2 (*Finance Documents*) below to which it is a party and resolving that it execute, deliver and perform such documents;
 - (ii) authorising a specified person or persons to execute the documents set out in Section 2 (*Finance Documents*) below to which it is a party on its behalf; and
 - (iii) authorising a specified person or persons, on its behalf, to sign and/or despatch all documents and notices to be signed and/or despatched by it under or in connection with the Initial Bond Issue and the documents set out in Section 2 (*Finance Documents*) below to which it is a party.

2. Finance Documents

- (a) A duly executed copy of the Terms and Conditions.
- (b) A duly executed copy of the Agency Agreement.

3. Miscellaneous

- (a) Polish legal opinion in customary form and content on the capacity and due execution of the Issuer and the validity and enforceability of the Finance Documents issued by a reputable law firm.

Part 2

Conditions Precedent for Settlement – Subsequent Bond Issue

1. Corporate documents

- (a) Copies of the constitutional documents of the Issuer.
- (b) A copy of a resolution from the board of directors (and/or other relevant corporate body) of the Issuer approving the issue of the Subsequent Bonds and resolving to enter into any documents necessary in connection therewith.

2. Miscellaneous

- (a) Such other documents and evidence as agreed between the Agent and the Issuer.

**SCHEDULE 2
FORM OF COMPLIANCE CERTIFICATE**

COMPLIANCE CERTIFICATE

To: [●] as Agent
From: KRUK S.A. as Issuer
Date: [date]
Dear Sir or Madam,

**KRUK S.A.
EUR [350,000,000] senior unsecured callable floating rate bonds 2023/2028
with ISIN: NO0012903444 (the “Bonds”)**

(1) We refer to the terms and conditions for the Bonds (the “**Terms and Conditions**”). This is a Compliance Certificate. Terms defined in the Terms and Conditions have the same meaning when used in this Compliance Certificate unless given a different meaning in this Compliance Certificate.

([2]) [Maintenance Test]

We confirm that the Maintenance Test is met and that in respect of the Reference Date [date]:

Interest Cover Ratio: Pro Forma Adjusted Cash EBITDA was [●], Net Interest Expense was [●] and therefore the Interest Cover Ratio was [●]:1.00 (and should exceed 3.00:1.00).

Leverage Ratio: Total Net Interest Bearing Debt was [●], Pro Forma Adjusted Cash EBITDA was [●] and therefore the Leverage Ratio was [●]:1.00 (and should not exceed: 4.00:1.00).

Secured Loan to Value Ratio: [Aggregate outstanding amount under the Bonds and all secured facilities and loans as described in paragraph (b) of the definition Permitted Financial Indebtedness was [●], Vendor Loans constituting Financial Indebtedness was [●], [free cash and cash equivalents held by any member of the Group] was [●], Group Book Value was [●]] and therefore the Secured Loan to Value Ratio was [●]:1.00 (and should not exceed: 0.55:1.00).

Computations as to compliance with the Maintenance Test are attached hereto.^{1]2}

([3]) [We confirm that, so far as we are aware, no Event of Default is continuing.]³

KRUK S.A

Name:
CEO or duly authorised signatory/ies of the Issuer

¹ The computations shall be based on the template for computations of the Maintenance Test in the form and substance as pre-agreed between the with Agent and the Issuer (or as otherwise agreed from time to time).
² This section to be used if the Compliance Certificate is delivered in connection with the delivery of a Financial Statement.
³ Should be included in each Compliance Certificate. If this statement cannot be made, the certificate should identify any Event of Default that is continuing and the steps, if any, being taken to remedy it.

We hereby certify that the above Terms and Conditions are binding upon ourselves.

The Issuer
KRUK S.A

Name:

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

The Agent

NORDIC TRUSTEE & AGENCY AB (PUBL)

Name:

ADDRESSES

Issuer

KRUK S.A.

st. Wołowska 8, 51-116 Wrocław, Poland

Web page: www.en.kruk.eu

Joint Bookrunner

Arctic Securities AS

reg. no. 991125175

Haakon VII's gate 5, NO-0161 Oslo, Norway

Web page: www.arctic.com

DNB Bank ASA, Sweden branch

reg. no. 516406-0161

Regeringsgatan 59, SE-111 56, Stockholm, Sweden

Web page: www.dnb.se

Auditor

PricewaterhouseCoopers Polska sp. z o.o Audyt sp.k.

ul. Polna 11, 00-633 Warsaw, Poland

Web page: www.pwc.pl

Legal advisor

Gernandt & Danielsson Advokatbyrå KB

P.O. Box 5747, SE-114 87 Stockholm, Sweden

Web page: www.gda.se

Agent

Nordic Trustee & Agency AB (publ)

P.O. Box 7329, SE-103 90 Stockholm, Sweden

Web page: www.nordictrustee.com

Central securities depository

Verdipapirsentralen ASA

P. Postboks 1174 Sentrum, 0107, Oslo, Norway

Web page: www.euronextvps.no/