This prospectus was approved by the Swedish Financial Supervisory Authority on 28 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the event of significant new factors, material mistakes or material inaccuracies will not apply when this prospectus is no longer valid.

HOIST FINANCE AB (PUBL)

Prospectus for the admission to trading of SEK 700,000,000 Floating Rate Additional Tier 1 Capital Notes

ISIN: SE0020181667

Joint Bookrunners

Nordea SEB

MANNHEIMER SWARTLING

Important information

In this prospectus, the "**Issuer**" means Hoist Finance AB (publ). The "**Group**" means the Issuer with all its subsidiaries from time to time (each a "**Group Company**"). The "**Joint Bookrunners**" means Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ).

Words and expressions defined in the terms and conditions beginning on page 32 (the "**Terms and Conditions**") have the same meanings when used in this prospectus (the "**Prospectus**"), unless expressly stated otherwise follow from the context.

The Issuer has issued a total of 560 Additional Tier 1 Capital notes (the "**Notes**") in the Total Nominal Amount of SEK 700,000,000 on 24 May 2023 (the "**Issue Date**"). This Prospectus has been prepared for the admission to trading of the Notes on Nasdaq Stockholm. This Prospectus does not contain and does not constitute an offer or a solicitation to buy or sell Notes. This Prospectus is governed by Swedish law. The courts of Sweden have exclusive jurisdiction to settle any dispute arising out of or in connection herewith.

This Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (*Finansinspektionen*) (the "**Swedish FSA**") pursuant to the provisions of Article 20 of 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**").

Solely for the purposes of the manufacturers' (as used herein, "**Manufacturers**" refers to Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) in their capacity as joint bookrunners) product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients, each as defined in Directive 2014/65/EU as amended ("**MIFID II**"), and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the Manufacturers' target market assessment. however, a Distributor subject to MIFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the Manufacturers' target market assessment) and determining appropriate distribution channels.

The Notes are not intended to be, and should thus not be, offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document as set out in Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

This Prospectus may not be distributed in any jurisdiction where such distribution would require any additional prospectus, registration or measures other than those required under Swedish law, or otherwise would conflict with regulations in such jurisdiction. Persons into whose possession this Prospectus may come are required to inform themselves about, and comply with such restrictions. Any failure to comply with such restrictions may result in a violation of applicable securities regulations. The Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Notes have not been, and will not be, registered under the United States Securities Act of 1933 or the securities laws of any state or other jurisdiction outside Sweden.

Each potential investor in the Notes must in light of its own circumstances determine the suitability of the investment. In particular, each potential investor should conduct their own investigation and analysis of the Issuer and the data set forth in this Prospectus and investors are urged to take steps to ensure that they understand the transaction and have made an independent assessment of the appropriateness of the transaction in light of their own objectives and circumstances before entering into any transaction (including the possible risks and benefits of entering into such transaction). Investors should also consider seeking advice from their own advisers in making this assessment.

No person has been authorised to provide any information or make any statements other than those contained in this Prospectus. Should such information or statements nevertheless be furnished, it/they must not be relied upon as having been authorised or approved by the Issuer and the Issuer assumes no responsibility for such information or statements. Neither the publication of this Prospectus nor the offering, sale or delivery of any Note implies that the information in this Prospectus is correct and current as at any date other than the date of this Prospectus or that there have not been any changes in the Issuer's business since the date of this Prospectus. With the exception of the Issuer's consolidated financial statements for 2021 and 2022, no information in this Prospectus has been audited or reviewed by the Issuer's auditor. Financial data in this Prospectus that has not been audited by the Issuer's auditor stem from internal accounting and reporting systems.

Forward-looking statements and market data

The Prospectus contains certain forward-looking statements that reflect the Issuer's current views or expectations with respect to future events and financial and operational performance. The words "intend", "estimate", "expect", "may", "plan", "anticipate" or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Although the Issuer believes that these statements are based on reasonable assumptions and expectations, the Issuer cannot give any assurances that such statements will materialise. Because these forward-looking statements involve known and unknown risks and uncertainties, the outcome could differ materially from those set out in the forward-looking statement.

Factors that could cause the Issuer's and the Group's actual operations, result or performance to differ from the forward-looking statements include, but are not limited to, those described in "*Risk factors*". The forward-looking statements included in this Prospectus apply only to the date of the Prospectus. The Issuer undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law. Any subsequent forward-looking information that can be ascribed to the Issuer and the Group or persons acting on the Issuer behalf is subject to the reservations in or referred to in this section.

The Prospectus contains market data and industry forecasts, including information related to the sizes of the markets in which the Group participates. The information has been extracted from a number of sources. Although the Issuer regards these sources as reliable, the information contained in them has not been independently verified and therefore it cannot be guaranteed that this information is accurate and complete. However, as far as the Issuer is aware and can assure by comparison with other information made public by these sources,

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RISK FACTORS

An investment in the Notes is associated with different risks. Prior to any investment decision, it is important to carefully analyse the risk factors considered to be material. Set out below is a description of risks that are considered to be of importance for the Issuer and the Notes. Prospective investors should make an independent evaluation, with or without help from advisors, of the risks associated with an investment in the Notes.

The risk factors set-out below are limited to risks which are specific to the Issuer and/or to the Notes and which are assessed to be material for taking an informed investment decision. The Issuer's assessment of the materiality of each risk factor is based on the probability of their occurrence and the expected magnitude of their negative impact. The description of the risk factors below is based on information available and estimates made on the date of this Prospectus.

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

Risks relating to the Issuer and the Group

Risks relating to the Group's market and industry

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

The Issuer provides debt collection services in thirteen European countries and during 2022 the Group's operating income amounted to SEK 2,613 million, with an average number of 1,442 employees. The Group is thus affected by general business, economic and market conditions, especially in the markets in which the Group operates. Any disruption or downturn in the global financial markets and economy would typically affect the Issuer, both in respect of financial performance and growth possibilities. As a result, the Issuer may also be affected by public health epidemics or outbreaks of diseases that may negatively affect the global or domestic economy, such as the COVID-19 pandemic and acts of war.

Uncertainties remain concerning the outlook and the future economic environment related to recent events in Europe such as the COVID-19 pandemic. An ongoing effect of the economic stress induced by COVID-19 has led to the financial health of many businesses being impacted. Although the financial markets have stabilised and to some extent recovered since the outbreak of the COVID-19 pandemic, the effect on the financial environment of the Group is expected to continue for as long as the coronavirus continues to spread.

Further, on 24 February 2022, Russia launched a military assault on Ukraine. The assault started after a prolonged military build-up and the Russian recognition of the self-proclaimed Donetsk People's Republic and the Luhansk People's Republic in the days prior to the military assault. The Russian invasion of Ukraine has led to significant volatility in the global financial markets and the global economy, and has added substantially to the inflationary pressures building up in the euro area during the post-pandemic recovery period, pushing up consumer prices for energy and food in particular. The Group does not operate in Russia or Ukraine. However, the Group and the Issuer are subject to risks related to the macroeconomic environment and are thus affected by global conflicts that may negatively affect the global economy. The degree to which macro-economic and political factors, such as the situation in Ukraine and inflationary pressure across Europe, may affect the Issuer is uncertain and presents a significant risk to its access to financing and funding costs, which in turn could have a negative impact on the Issuer's financial position and earnings.

During March 2023, the collapse of the Silicon Valley Bank created upheaval in the global financial markets with increased volatility and widening credit spreads. The distress in the financial markets put Credit Suisse Group AG, a Swiss global systemically important bank ("**G-SIB**"), under high pressure and put the markets under additional stress. In order to avoid a potential insolvency of a G-SIB, the Swiss government brokered a deal to let UBS Group AB acquire Credit Suisse Group AG. As of the date of this Prospectus, it is highly uncertain how large the potential negative effects of the recent turmoil will be and for how long these may last.

If the economies of the Group's principal markets suffer a material downturn for a prolonged period of time that, in turn, increases the unemployment rate, the Group companies may be unable to perform debt collections at a level consistent with their past practice due to the inability of customers to make payments at the same levels or

at all. The Group's customers' ability to make payments under claims that the Group owns may also be adversely affected by increasing interest rates since the customers' other debt may be adversely affected in such case. Furthermore, through the significant amount of debt acquired by the Group that is originated by financial institutions, the Group is also exposed to such developments which could lead to adverse economic conditions in the Group's markets (see also "*A significant amount of the debt acquired by the Group is originated by financial institutions.*").

The Group acquires, in selected markets, portfolios with loans that are secured by residential and commercial real estate. As at 31 December 2022, total secured loan portfolios (including performing mortgage loans) amounted to SEK 6,338 million (corresponding to 19.5 per cent. of the Group's total assets). Hence, the Group is exposed to the fluctuation of the value of the collateral of such loans. A material downturn for a prolonged period of time in any of the markets where such residential or commercial real estate is located could have a negative impact on the Group's results of operation and financial condition.

An improvement in the economic conditions in the markets in which the Group operates could impact its business and performance in various ways, including by decreasing the volume of debt portfolios that are available for acquisition, increasing the competitiveness of the pricing for portfolios that the Group has acquired and thus reducing the number of attractive portfolio opportunities, and also by increasing interest rate levels affecting the Group's cost of funding.

As described above, the Group may be affected in different ways by changes in general business, economic and market conditions. Although it is uncertain to what degree such developments as described above may affect the Group, they present a highly significant risk to the Group's business, results of operations and financial condition.

The Group operates in markets that are competitive.

The Group faces strong competition in all areas and markets, including from other pan-European competitors and competitors that are active on local markets. The Group's main competitors are debt purchasing companies, integrated firms operating a wider range of financial service businesses, as well as specialist investors. Some competitors that are active only in their local market and not on a pan-European basis are larger, have greater financial resources and are more active than the Group in such local markets. The Group competes on the basis of bid prices, the terms it offers, reputation, industry experience and performance. There is a risk that the Group's current competitors and any new competitors may develop substantially greater financial, technical, personnel or other resources, as well as better functioning products to meet the needs of the end-customers and vendors, respectively. This could lead to the Group not having the ability to compete successfully with its competitors in the future. The Group's competitive position would also be adversely affected by, among other things, a loss or suspension of the Issuer's licence as a "Credit Market Company" (see "*The Issuer relies on its licence as a "Credit Market Company" and the loss or suspension of such licence could impair or terminate the Group's access to deposit funding and the Group's ability to conduct business.*"). If any of these events materialise, there is a risk that the Group will not be able to offer competitive bids for debt portfolios, which would adversely affect the Group's business and results of operations.

Furthermore, the Issuer assesses that the European Banking Authority ("**EBA**") is working towards harmonising jurisdictional differences in the non-performing loan ("**NPL**") market as well as promoting cross-border firms through regulation, which has benefitted competitors of scale. This has contributed to limited organic growth opportunities for debt collector companies and drives consolidation in the sector. The markets where the Group operates have also been characterised by, among other things, digitalisation and regulatory changes, and the Group has also expanded into new asset classes such as performing loans. There is a risk that the Group is unable to continue to develop and expand its business or adapt to changing market needs with the same success as its current or future competitors are able to do, or adapt its business to new strategies. Such inability could entail both that the Group's competitors are able to operate at a lower cost of capital or make advances in their pricing or collections methods that the Group deems itself not being able to make, and that the Group could be unable to acquire portfolios at appropriate prices in order to operate profitably. Any inability to compete effectively could have a material adverse effect on the Group's business, results of operations and financial condition.

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

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

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

As described under "*The Group may not be able to collect the expected amounts on portfolios acquired.*", the Group's assets mainly consist of portfolios of acquired debt and the Group is dependent on its ability to collect on those debts. Even if the Group aims to help its customers to keep their commitments, the Group must sometimes take legal actions and collect on the debts through legal proceedings. When the Group commences enforcement actions through legal proceedings, courts may require a copy of the account statements or credit agreement to be attached to the pleadings in order to obtain a judgement against a particular customer. Since the Group acquires debt portfolios from debt originators, the Group does not always receive all relevant account documents for each debt. Consequently, when the Group is unable to produce account documents in response to a court's request, that claim would be legally unenforceable. Further, even if the Group has received all relevant account documents, there is a risk that the account documents for the original debts will be found to be legally unenforceable, which would lead to courts denying the Group's claims and the Group will not be able to collect the relevant debts. Furthermore, any changes to laws, regulations or rules that affect the manner in which the Group initiates enforcement proceedings, including rules affecting documentation, could result in increased administration costs or limit the availability of litigation as a collection tool, which could have a material adverse effect on the Group's business and results of operations.

Additionally, the Group's ability to collect by means other than legal proceedings may be impacted by laws that require that certain types of account documentation be in the Group's possession prior to the institution of any collection activities, which could also have an adverse effect on the Group's business.

Risks related to the Group's business

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

The Group's assets mainly consist of portfolios of acquired debt; the carrying value of acquired loan portfolios amounted to SEK 21,624 million as at 31 December 2022, corresponding to 67 per cent. of the Group's total assets as at the same date. The present value of expected gross collections is reflected in the balance sheet carrying value of the portfolios. When acquiring portfolios, the Group makes assumptions on the gross collections and collection costs, which are based on, among other things, internally-developed statistical models and analytical tools to value and price portfolios.

The Group's statistical models and analytical tools assess information which to some extent is provided to the Group by third parties, such as credit agencies and other mainstream or public sources, or generated by software products. The Group has only limited control over the accuracy of such information received from third parties. If such information is not accurate, credits may be incorrectly priced at the time of acquisition, the recovery value for the Group's portfolios may be calculated inaccurately, the wrong collection strategy may be adopted and lower collection rates or higher operating expenses may be experienced. Moreover, the Group's historical

information about portfolios may not be indicative of the characteristics of subsequent portfolios acquired from the same debt originator or within the same industry due to changes in business practices or economic development.

There is a risk that the Group will not be able to achieve the recoveries forecasted by the models used to value the portfolios, and the amounts recovered may even be less than the total amount paid for such portfolios. Furthermore, there is a risk that the models used will be flawed or that the models will not appropriately identify or assess all material factors and yield correct or accurate forecasts. There is also a risk that the Group's investment and analytics teams will make misjudgements or mistakes, for example when utilising the Group's statistical models and analytical tools. A decrease or delay of the expected gross collections would reduce the Group's revenue and returns on its acquired portfolios, resulting in write-downs of the portfolios, directly impacting the Group's equity, capital adequacy and results of operations. As a consequence, the Group may have to pay a higher interest rate to finance its operations and the regulatory requirements to maintain a certain capital adequacy could hinder further business expansion, which in turn could have a negative effect on the Group's ability to acquire additional portfolios. Further, higher collection costs than projected when acquiring portfolios will have a negative impact on the financial results of operations.

The Group recovers on claims that may become subject to insolvency procedures under applicable laws and the Group also acquires portfolios containing claims that are subject to ongoing insolvency proceedings. Various economic trends, in particular downward macroeconomic factors such as those experienced during the COVID-19 pandemic, as well as potential changes to existing legislation, may contribute to an increase in the number of customers subject to personal insolvency procedures. The majority of the portfolios that the Group acquires are unsecured and the Group is generally unable to collect on such portfolios in an insolvency procedure. The transfer of ownership of acquired claims may require certain assignment procedures. Should the transfer of a claim not meet applicable requirements, legal title to the relevant claim will not pass to the Group company, which may result in the loss of such claim (see also "*The Group may be unable to obtain account documents for some of the accounts that it acquires.*"). The Group's ability to successfully collect on portfolios may decline or the timing of when the Group collects on portfolios may be delayed, with an increase in personal insolvency procedures, if customers have set-off rights related to the collected claims or if the Group fails to comply with applicable transfer requirements.

As described above, the Group's ability to collect on acquired portfolios is a central part of the Group's business model, and a potential failure to collect expected amounts may have a material adverse effect on the Group's business, results of operations and financial condition.

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

As at 31 December 2022, the Group's liquidity reserve amounted to SEK 8,897 million, of which SEK 2,014 million was deposited with a limited number of European commercial banks overnight. These amounts are well in excess of any government deposit guarantee, which exposes the Group to the risk that one or more of such institutions would not be able to meet its obligations under these deposits, for example in the event of a bank run or banking crisis. The Group also invests surplus liquidity in interest bearing securities, resulting in counterparty risk on the issuers of such securities. For example, the Group is subject to the risk that changes in credit spreads (that is, the premium required by the market for a given credit quality), due to, for example, a change in the credit outlook of a specific bond issuer, will affect the value of these bonds.

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

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

The Group's long-term business model requires that the Group continues to acquire debt portfolios. The availability of portfolios to acquire at prices that generate an appropriate return depends on a number of factors,

such as the continuation of current growth trends in the levels of overdue debt, volumes of portfolio sales by debt originators, in particular the financial institutions that originate most of the Group's portfolios, and competitive factors affecting potential purchasers and debt originators.

The Group relies on key relationships with debt originators and debt investment funds to conduct the Group's business. A debt originator or a debt investment firm's decision to sell debt to the Group is based on various factors, including the price and terms offered, the quality of the Group's reputation and the Group's compliance history. There is a risk that some of the Group's current debt originator or debt investment fund counterparties will not continue to sell debt to the Group on desirable terms or in acceptable quantities.

Furthermore, the Group has previously entered, and may in the future enter, into forward flow agreements. Pursuant to forward flow agreements, the Group may agree to buy claims of a certain character at a pre-defined price or price range for a given volume from a debt originator on an on-going basis. If the Group enters into a forward flow agreement and the value of acquired portfolios decreases subsequent to entering into the agreement, the Group may end up paying a higher amount for such portfolios than it would agree at the time of acquisition in a spot transaction, which could result in the Group missing out on higher alternative returns. In addition, under some forward flow agreements the Group may only be contractually permitted to terminate such agreements in certain limited circumstances. In a more competitive environment, the Group could be faced with a decision to either decrease its acquisition volume or agree to forward flow agreements at increased prices or with less contractual protection. For a forward flow agreement to be economically advantageous, the Group must ensure that the nature of claims contained in the portfolios acquired under such agreements remain consistent with those reviewed as part of the due diligence process. When pricing forward flow agreements, the Group generally takes into account potential future fluctuations in the value of the debt that is acquired through such agreements, but the fluctuations in value may exceed the Group's expectations. If the Group is unable to contractually terminate an agreement it may have to accept claims that are of a lower quality than it intended to acquire, which could result in lower returns. Should the quality of debt supplied under forward flow agreements vary from the Group's pricing assumptions, there is a risk that the Group may price the agreements incorrectly.

If the Group is unable to identify sufficient levels of attractive portfolios and generate an appropriate return on acquired portfolios, the Group may be unable to maintain the cash flow generated from its portfolios, which would adversely affect the Group's ability to acquire additional portfolios as they become available. In addition, the Group may experience difficulties covering its fixed costs and may, as a consequence, have to reduce the number of its collection personnel or take other measures to reduce costs. These developments could lead to disruptions in the Group's operations, loss of efficiency, lower employee morale, fewer experienced employees and excess costs associated with unused capacity and floor space in the Group's operating facilities.

The degree to which incorrectly priced agreements and/or a potential failure by the Group to acquire portfolios at appropriate prices or of sufficient quality or volumes may affect the Group is uncertain, and present a significant risk to the Group's business, results of operations and financial condition.

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

The value of acquired portfolios as recorded on the Group's balance sheet may fluctuate each time management reassesses forecasted cash flows. The Group's forecasted cash flows are based on a number of assumptions, as the projected performance is generated by analysing historic forecasts relative to actual gross collections achieved and accounting operational improvements, among other things (as further described under "*The Group may not be able to collect the expected amounts on portfolios acquired.*"). These historically observed forecasts are linked to the underlying collection fundamentals applicable at the time, including, among other things, general economic conditions, the collections strategy, collections legislation and customer behaviour. Any changes to these assumptions could potentially result in revaluations (meaning a change in the projected cash flow), which would have the effect of changing the value of the portfolios on the Group's balance sheet and lead to the inclusion of a corresponding movement in the Group's consolidated profit and loss account. Book value movements are non-cash movements, but are derived from the aforementioned change to the projected cash flow affecting the Group profit and loss statement. The changed book value and the specific amortisation rate are also non-cash items, but are directly linked to the profit and loss statement in the calculation of interest income. Negative revaluations would also negatively impact the Group's equity and capital adequacy. Any of the foregoing factors could have a material adverse effect on the Group's results of operations and financial condition.

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

The Group generally measures its investments based on a projected return, typically for periods of up to 180 months, based on historical and current portfolio collection performance data and trends and assumptions about future debt collection rates. It generally takes the Group several years to realise cash returns equal to this initial investment. During this period, significant changes may occur in the economy, the regulatory environment and the Group's business or markets, which could lead to a reduction in the Group's forecasted collections. Such reduction could force the Group to record an impairment of its acquired debt portfolios, or reduce the value of the debt portfolios that the Group has acquired. Moreover, the calculation of estimated remaining collections, the distribution over time for such collections and the associated collection cost is a key uncertainty within the Group's policies on revenue recognition of acquired portfolios. There is a risk that the Group will not achieve such collections within the specified time periods, or at all. Given the multi-year payback period on substantially all of the Group's acquisitions, each portfolio acquisition exposes the Group to the risk of such changes for a significant period of time, which could have a material adverse effect on the Group's business, results of operations and financial condition.

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

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

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

Further, there may be a gap between the point in time when the Group acquires a portfolio and the point in time when the Group begins earning returns on the acquired portfolio. For example, secured NPL portfolios may require that legal proceedings are initiated before the Group can start to collect on an acquired portfolio.

In addition, the time it takes to start earning returns on an acquired portfolio could vary from the Group's initial estimates. As a result, the Group may experience difficulties in projecting cash flows and delays in generating income from acquired portfolios. The degree to which any of the foregoing factors may affect the Group is uncertain, and present a significant risk to the Group's business, results of operations and financial condition.

The Group is exposed to risks relating to its information technology infrastructure platform, its data warehouse and third-party providers.

Customer dialogue is increasingly moving towards digital channels. Many customers prefer to manage their own accounts, without going through customer centres. The Group's aim is to offer its customers the ability to self-serve and interact with the Issuer through a choice of digital channels at any time and via any device. In order to support the Group's ambitions for digital leadership in the debt purchasing industry, the Group has, for example, launched a chatbot and implemented customer interaction via WhatsApp in Italy and, in 2021, the Group deployed digital customer self-service portals in eight markets. During 2021, the Group also extended its digital payment solutions to Blik, Paypal, Apple Pay and Google Pay and in 2022 the Group further improved its digital solutions, with the digital share of debt collections increasing as a result. The Group's focus on digitalisation

entails that the Group is dependent on its information technology infrastructure platform and, in particular, its data warehouse, which is essential for the Group's evaluation of debt portfolios and includes detailed data on collection performance and cash flow from acquisitions dating from the year 2000 and onwards (the "**Data Warehouse**"). This subjects the Group to inherent costs and risks associated with maintaining, upgrading, replacing and changing these systems, including defects in the Group's information technology, substantial capital expenditures and demands on management time. Further, the Group is exposed to risks relating to outages and disruptions in its information technology infrastructure platform, collection systems or Data Warehouse, which may be caused by, among other things, security breaches or cyber-attacks in the Group's information technology infrastructure platform, collection systems or Data Warehouse, or any temporary or permanent failure in these systems. If such events lead to extensive outages, this could have an adverse effect on the Group's business and results of operations.

Information, digital and telecommunications technologies are evolving rapidly and are characterised by short product life cycles. There is a risk that the Group will not be successful in anticipating, managing or adopting technological changes on a timely basis, or that new business systems prove to be deficient or incompatible with the business that the Group conducts, which could result in additional costs. The cost of improvements could be higher than anticipated or result in management not being able to devote sufficient attention to other areas of the Group's business. Due to the growth of the Group, those costs have increased for the Group. For example, in 2022, the Group's IT expenses amounted to SEK 251 million. The Group depends on having the capital resources necessary to invest in new technologies to acquire and service claims and there is a risk that adequate capital resources will not be available to the Group at the appropriate time. If the Group becomes unable to continue to acquire, aggregate or use such information and data in the manner or to the extent in which it is currently acquired, aggregated and used, due to lack of resources, regulatory restrictions (including data protection laws) or any other reason, the Group may lose a significant competitive advantage. Any of these events could have a material adverse effect on the Group's business, results of operations and financial condition.

Further, the Group is exposed to risks relating to the third-party providers to which the Group has outsourced parts of its information technology. For example, in August 2019, the Group entered into an agreement for outsourcing services relating to information technology, selected application development and maintenance with the global technology consulting and digital solutions company Larsen & Toubro Infotech Limited. Another example is that the Group has outsourced the hosting of its deposit platforms. There is a risk that the Group's third-party providers will not meet the agreed service levels or that they will not comply with applicable rules on data protection (see also "*The Group is exposed to risks relating to sensitive data.*"). Since the Issuer is a regulated company, the third-party providers are also required to adhere to and be compliant with the same regulations that are applicable for the Issuer. Hence, any breach by the third-party providers of such regulations could lead to, among other things, sanctions and increased supervision by authorities, impaired reputation and/or financial losses for the Group. Furthermore, any changes in regulations related to outsourcing or use of cloud solutions or deposit platforms could have a material impact on the agreements with the third-party providers. If any of the risks relating to the Group's outsourcing or its third-party providers were to be materialised, it could have an adverse effect on the Group's business.

The degree to which the risks relating to the Group's information technology infrastructure platform, its Data Warehouse and the Group's use of third-party providers may affect the Group is uncertain, and present a significant risk to the Group's business, results of operations and financial condition.

The Group is exposed to risks relating to failure to attract and retain qualified personnel, increases in labour costs, potential labour disputes and work stoppages.

The Group's future success partially depends on the skills, experience and efforts of its senior management and other key employees and its ability to attract and retain such members of the management team and other key employees. Furthermore, the Group's operations involve highly qualified personnel and therefore the Group's continued ability to compete effectively and implement the Group's strategy depends on its ability to attract new employees and retain and motivate existing employees. The Group has a number of employees that possess critical skills for the Group's operations, for example skills relating to pricing and analytics, regulatory compliance and good communication with customers. An inability to attract and retain employees with these types of skills would have a material adverse effect on the Group's business.

The demand in the Group's industry for personnel with the relevant capabilities and experience is high, which leads to a high personnel turnover. At 31 December 2021, the Group had 1,733 employees of which 319 were

recruited in 2021, and the staff turnover was 25.5 per cent. At the same date in 2022, the Group had 1,464 employees (the decrease from 2021 was mainly due to the Group's divestment of its UK operations). The intense competition and high personnel turnover could lead to the Group not being able to attract and retain employees with the relevant skills for its operations. The competition may also lead to increased remuneration levels, which would adversely affect the Group's results of operations. In the financial year 2022, the total personnel expenses and remuneration (including pension expenses and social fees) amounted to SEK 766 million. Based on the conditions prevailing on 31 December 2022, an increase of 1 per cent. in the Group's total personnel expenses and remuneration (including pension expenses and social fees) would adversely affect the Group's operating profit by SEK 7.7 million. Conversely, if the Group were to offer excessively low remuneration levels, this might lead to employees choosing to terminate their employments, which would adversely affect the Group's competitiveness and business. There is a risk that the Group will not be able to attract and retain qualified personnel in the future, which could adversely affect the Group's ability to successfully acquire portfolios or collect on claims and to manage and expand the Group's business, which in turn would risk having an adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to reputational risk.

The Group is dependent on its reputation in order to successfully conduct its business. The Group's reputation is fundamental in maintaining its relationships with current and potential debt originator clients, primarily financial institutions. Further, the Group's reputation is essential in its contact with, and for the perception by, regulators. Accordingly, the Group is exposed to risks relating to its reputation, which could be adversely affected by, for example, any inability to accurately collect debt or treat customers fairly. The Group is also exposed to the risk that negative publicity may arise from the activities of legislators, pressure groups and the media, on the basis of, for example, real or perceived abusive collection practices, attributable either to the Group, third-party collection providers which the Group engages or the wider debt purchasing industry or regarding other conditions within the Group or the Group's business. Negative publicity could cause customers to be more reluctant to pay their debts or to pursue legal action against Group companies, or cause regulators and authorities to form a more negative view of the Group, regardless of whether those actions are warranted, all of which could impact the Group's ability to collect on the acquired debt portfolios. For example, from time to time, the Group has been subject to claims and inquiries from customers and regulators regarding the Group's collection processes and, in some of these cases, the Group has had to take various operational and organisational actions to address these claims or inquiries. In addition, adverse publicity could potentially have an adverse impact on the Group's business, for example, by making it more difficult to attract depositors from the public or to buy new portfolios. Accordingly, there is a risk that the Group's business, results of operations and financial condition would be adversely affected should any reputational risks materialise.

Further, the Group's reputation may also be adversely affected if the Group needs to adjust customers' payment obligations negatively for customers. The collection of debt, particularly historic debt, involves complex interpretations and calculations of contractual terms that may vary by debt originator and/or country, which may impact the calculation of customers' resulting payment obligations and the collection strategies that the Group employs. The Group's processes and procedures are designed to ensure accuracy in the collection processes and the Group reviews its collection strategies and payment calculations with a goal of ensuring that it applies best practices across the Group's operations. If in these reviews the Group identifies inconsistencies in the collection processes adopted and/or inaccuracies in the payment calculations it has taken, the Group will aim to take reasonable steps to rectify any such issues. If those rectifying steps, whether correct or not, result in an increase in the number or significance of complaints or inquiries, such complaints could not only result in financial liability for the Group, but could also jeopardise the Group's relationships with its debt originator clients, its ability to establish new relationships, have a negative impact on a customer's willingness to pay a debt owed to the Group, diminish the Group's attractiveness as a counterparty or lead to increased regulation in the debt purchasing industry.

The degree to which the various reputational risks that the Group is exposed to may affect the Group is uncertain, and they risk having an adverse effect on the Group's business and results of operations.

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

The Group employs a business model that is designed to deliver operational efficiency based on local market conditions and international best practices. The Group complements its in-house collections with carefully

selected third-party collection providers. Third-party debt collectors are subject to more limited supervision by the Group than its own local operations. Any failure by these third parties to adequately perform such services for the Group could materially reduce the Group's cash flow, income and profitability and affect the Group's reputation in the countries where they operate. In addition, any violation of laws or other regulatory requirements by these third parties in their collection efforts could negatively impact the Group's business and reputation or result in penalties being directly imposed on the Group, as industry regulators generally expect businesses to carefully select such third parties and to take responsibility for any compliance violations. Further, there is a risk that the third-party providers fail to meet contractual obligations, such as to provide the Group with accurate data on the claims they are serving. The failure of the Group's third-party debt collectors to perform their services to the Group's standards and any deterioration in or loss of any key relationship (for example with any underperforming third-party debt collector) may have a material adverse effect on the Group's business, results of operations and financial condition.

The Group may also suffer losses pursuant to its agreements (e.g. sale and purchase agreements) with debt originators who have required, and may require, the Group to ensure compliance by sub-contractors (e.g. servicers) with applicable laws or other regulatory requirements. Furthermore, there is a risk that the Group does not become aware of the occurrence of any such violations for a significant period of time, which could magnify the effect of such violations. Any of these developments could have an adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to risks relating to its strategic goals.

The Group's strategy comprises three main areas: (i) deploy capital to achieve attractive risk-adjusted returns in investment management, (ii) conduct effective and efficient collections in loan management, and (iii) maintain a sustainable, cost-efficient and well-diversified funding structure in capital and funding. In order to execute the Group's strategy, it is important that the board of directors of the Issuer and executive management are able to plan, organise, follow up on and control the operations and to continuously monitor market conditions. There is a risk that the Group will not be successful in developing and implementing its strategic plans for the Group's businesses, including operational efficiency, digitalisation and continuing to drive operational scale and excellence across countries. If the development or implementation of such plans is not successful the Group may not produce the revenue, margins, earnings or synergies that is needed to be successful and to offset the impact of adverse economic conditions that already may exist or may develop in the future. The Group may also face delays or difficulties in implementing process and system improvements, which could adversely affect the Group's ability to successfully compete in the markets it serves. In addition, the costs associated with implementing strategic plans may exceed anticipated amounts and the Group may not have sufficient financial resources to fund all of the desired or necessary investments required in connection with its plans, including one-time costs associated with the Group's business consolidation and operating improvement plans. Consequently, if the Group fails to achieve its strategic goals, it would have an adverse effect on the Group's business.

Conversely, the achievement of certain strategic goals may also expose the Group to other risks. For example, a part of the Group's strategy is to strive for growth including a substantial increase in the number of acquired portfolios. Such growth will come with an increase in the Group's operations and the number of employees. As a result of the Group's growth, the importance of managing operational risk relating to, for example, work processes, personnel, IT-systems, tax structuring and transfer pricing policies, financial reporting, operational infrastructure and the manner in which the Group addresses customer complaints or regulatory inquiries, may increase. In addition, the Group has outsourced certain services including IT operations, and is consequently relying on external expertise which is not easily replicated internally. Effective internal control over financial reporting is necessary for the Group to provide reliable and accurate financial reports. If the Group is unable to provide reliable financial reports or prevent fraud or other financial misconduct, the Group's business and operating results could be harmed. Effective governance and internal control is also necessary for the Group to maintain an adequate risk management framework. Accordingly, failure to manage the Group's projected growth effectively, and to maintain effective internal control and financial reporting systems in line with the Group's growth, could have an adverse effect on the Group's business and results of operations.

The Group is exposed to risks relating to acquisitions of debt portfolios as well as operations.

The Group's strategy is to grow in selected European markets, and a part of the strategy is to grow by acquiring companies and businesses. The Group primarily focuses on acquisitions of debt portfolios, and in 2022 the Group's portfolio acquisitions amounted to SEK 6.928 billion. In March 2023, the Issuer further acquired a Swedish portfolio of NPLs, with a total investment of SEK 1.2 billion. The portfolio acquisitions may be carried out in different structures, and in some models the Group will acquire not only the portfolio but also the operating company. The Group also strives to strengthen its business through strategic acquisitions. For example, in 2019, the Group acquired the Italian company Maran Group, which added capacity and expertise to the operations in Italy and created an integrated service platform. Such acquisitions, where the Group acquires operating companies, always entail a number of risks and considerable uncertainty with respect to ownership, other rights, assets, liabilities, licences and permits, claims, legal proceedings, restrictions imposed by competition law, financial resources, environmental aspects and other aspects. These risks may be greater, more difficult or more extensive to analyse in certain countries or regions where the Group is or is contemplating to be active than would normally be the case.

In connection with acquisitions, it is important to retain key employees and to have a well-functioning and effective integration process. There is a risk that dissatisfaction may arise among the personnel of the acquired business and the Group's business, and that this ultimately leads to key employees choosing to terminate their employments, or that the different operations, personnel, technology and information technology of the acquired business and the Group's business do not integrate effectively. In addition, in connection with acquisitions, the Group may incur considerable transaction, restructuring and administrative costs, as well as other integration-related costs and losses (including loss of business opportunities). Acquisitions may also be subject to acquisition price adjustments, such as contingency payment arrangements. There is further a risk that anticipated synergies will not be realised, or that additional integration costs will be required in order to achieve synergies. Difficulties integrating future acquisitions, including unexpected or additional costs, could have an adverse effect on the Group's business, results of operations and financial condition. Furthermore, there is a risk that in the future, the Group will be unable to carry out strategic acquisitions due to, for example, competition from other buyers or an impaired financial situation of the Group. If the Group fails to carry out strategic acquisitions, fails to realise anticipated synergies or incurs considerable costs, there is a risk that the Group's expansion and growth is adversely affected or is completely absent, which would have an adverse effect on the Group's business and results of operations.

Legal and regulatory risks

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

Pursuant to the Issuer's licence as a "Credit Market Company", it is subject to regulation and regulatory supervision applicable to the banking sector. The Swedish Financial Supervisory Authority (*Finansinspektionen*) (the **"Swedish FSA"**) is its primary regulator. The Issuer has established branches in the UK, Germany, Belgium, the Netherlands, France and Poland and is therefore also subject to scrutiny from local regulators in these jurisdictions. The Issuer has passported its licence to conduct financial business into Cyprus, France, Greece, Germany and Austria. The Issuer and other members of the Group are subject to numerous local laws and regulatory supervision, including (but not exclusively) in relation to capital adequacy, risk control, financial services and business conduct, data protection, anti-corruption, anti-money laundering, antitrust and administrative actions. For example, the Issuer processes large quantities of personal data in relation to its customers, which processing is subject to extensive regulation and scrutiny following the implementation of the general data protection regulation (Regulation (EU) 2016/679, the **GDPR**). Efforts to continuously ensure compliance with the GDPR is time-consuming and costly, and any non-compliance with applicable data protection legislation risks leading to substantial administrative fines and other actions which would have a material effect on the ability of the Issuer to conduct its business, such as a temporary or permanent ban on data processing.

The Issuer is further subject to regulatory framework which requires it to take measures to counteract money laundering and terrorist financing within its operations. Criminal activity within the banking sector, in which the Group operates, has been increasingly uncovered in recent years with intense media coverage. There is a risk that

the Issuer's procedures, internal control functions and guidelines to counteract money laundering and terrorist financing are not sufficient or adequate to ensure that the Issuer complies with the regulatory framework. This may result from, for example, insufficient procedures, internal control functions or guidelines, or errors by employees, suppliers or counterparties.

Any significant changes and/or developments in regulations, regulatory supervision and/or granted licences, or changes in oversight by the primary regulator could materially affect the Group's business, the products and services the Group offers or the value of the Group's assets. Any failure by the Group to comply with applicable laws and regulations and other requirements introduced by regulators could result in intervention by regulators or the imposition of sanctions. Such sanctions could include the revocation by the Swedish FSA of the Issuer's licence as a "Credit Market Company". The loss of the Issuer's licence would mean that it would have to discontinue the offering of deposit savings accounts to the general public. As deposits are the Group's principal source of funding, this would adversely affect the Group's liquidity position and impair the Group's ability to fund its business and potentially also impair or materially adversely affect the Group's ability to continue its business as currently conducted. In addition, there is a risk that the Group would not be able to obtain other sources of funding within a short time period or at all, or that such alternative funding would not be available at similar costs. Other sanctions could include material fines. Any of these events could have a material adverse effect on the Group's business, results of operations and financial condition.

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

The Issuer and the Consolidated Situation (as defined in the Terms and Conditions) are subject to capital adequacy and liquidity regulations, which aim to put in place a comprehensive and risk-sensitive legal framework to ensure enhanced risk management among financial institutions. In addition to the risk-based capital adequacy regulation, there is also regulation regarding leverage ratio (i.e. a capital requirement independent from the riskiness of the exposures, as a backstop). Regulations which have impacted the Group and are expected to continue to impact the Group include, among others, the EU Capital Requirements Directive 2013/36/EU, as amended (**CRD**), and the EU Capital Requirements Regulation (EU) No. 575/2013, as amended (**CRR**). CRD is supported by a set of binding technical standards developed by the EBA. The regulatory framework will continue to evolve, and any resulting changes could have a material impact on the Group's business.

The capital adequacy framework includes, *inter alia*, minimum capital requirements for the components in the capital base with the highest quality: common equity tier 1 (**CET1**) capital, additional tier 1 capital and tier 2 capital. In addition to the minimum capital requirements, CRD provides for further capital requirements that are required to be satisfied with CET1 capital. Certain buffers may be applicable to the Issuer as determined by the Swedish FSA. The countercyclical buffer rate is a capital requirement which varies over time, and between member states of the European Union, and is to be used to support credit supply in adverse market conditions. On 29 September 2022, the countercyclical buffer rate in Sweden was increased from 0 per cent. to 1 per cent and on 22 June 2022, the Swedish FSA communicated that the buffer rate will be increased to 2 per cent on 22 June 2023. In calculating the Group's and the Issuer's countercyclical buffer, the Group considers the respective countercyclical buffers of all member states of the European Union in which the Group has exposures, including, for example, (in addition to Sweden) France and Poland, and applies a weighted average of such countercyclical buffers (the "**Weighted Countercyclical Buffer**"). The Weighted Countercyclical Buffer applied as of 31 March 2021 was 0,23 per cent. for the Consolidated Situation and 0.22 per cent. in relation to the Issuer.

A breach of the combined buffer requirements is likely to result in restrictions on certain discretionary capital distributions by the Issuer, for example dividend and coupon payments on CET1 and tier 1 capital instruments. However, as at the date of this Prospectus, the Issuer is not designated a systemically important institution and is thus not subject to the buffer requirement for systemically important institutions, nor subject to the systemic risk buffer requirements. There can, however, be no assurance that the Issuer will not be designated a systemically important institution or subject to systemic risk buffer requirements in the future.

Additionally, the Swedish FSA has an option to add capital requirements in the form of Pillar 2 requirement (P2R) and Pillar 2 guidance (P2G). Through the P2G, the Swedish FSA informs a bank which capital level it expects the bank to hold over and above the minimum requirement, the P2R and the combined buffer requirement, to cover risks and manage future financial stresses. As of the date of this Prospectus, the Swedish FSA has not yet conducted its assessment in relation to the Issuer. The size of a potential P2G buffer and its impact on the Issuer is therefore uncertain.

In addition, any changes to the assumptions the Group makes when acquiring portfolios may potentially have an impact on the value of the Group's portfolios. When the Group acquires portfolios, it makes assumptions regarding gross collections and collection costs and the net present value of expected gross collections is reflected in the balance sheet carrying value of the Group's portfolios. Should the Group experience higher collection costs than expected, for example due to lower collection efficiency or efficacy, changing laws or interpretations of applicable regulatory frameworks or changes in collection practices to more costly collection methods, such as increased use of legal systems, the profit and loss statement of the Group would be adversely affected. Should the Group experience increased credit risk on its portfolios, such that the Group recovers less than expected from its customers, causing gross cash collections on the Group's portfolios to decline, potentially significantly, these factors could consequently decrease the Group's revenue as well as lower the carrying value of the Group's portfolios as such changes could trigger revaluations. As such, the Group's result of operations would be affected accordingly which would impact the Group's equity and, in turn, the Group's capital adequacy. A market perception or actual shortage of capital could result in regulatory actions, including requirements to raise additional regulatory capital, to retain earnings or suspend dividends or the issuance of a public censure or imposition of sanctions. This may affect the Group's ability to generate a return on capital, acquire portfolios and pursue acquisitions or other strategic opportunities and may impact the Group's future growth potential. In addition, possible sanctions could include the revocation by the Swedish FSA of the Issuer's licence as a "Credit Market Company", and the loss or suspension of such licence could impair or terminate the Group's access to deposit funding and the Group's ability to conduct business.

Further, in April 2019, Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 amending the CRR as regards minimum loss coverage for non-performing exposures (**NPL Backstop**) entered into force requiring financial institutions, such as the Issuer, to make deductions from its CET1 capital to cover for NPLs on its regulatory balance sheet and effectively hold increased capital in the future for certain NPL exposures. In the aftermath of the COVID-19 pandemic, the European Commission issued an action plan intended to prevent a future build-up of NPLs. On 13 December 2021, the EBA followed up the action plan with proposed amendments to the regulatory technical standards on credit risk adjustments supplementing the CRR, relating to the calculation of risk weight of defaulted exposures. The amendments change the recognition for Article 127(1) of the CRR of credit risk adjustments to account for the transaction price upon a sale of an NPL. The amount used to determine the appropriate risk weight will thus be outlined so that the acquisition of an asset with a discount equal to the credit risk adjustments assigned to the exposure by the seller does not change its risk weight. In the first quarter of 2021, the Issuer completed its first unrated Italian securitisation transaction under a securitisation programme partnership agreement with an external investor. The securitisation programme is structured with a view to achieving significant risk transfer in accordance with Article 244 of the CRR by establishing a structure whereby the assets subject to the NPL Backstop are acquired by consolidated special purpose vehicles and funded through the issuance of tranches of notes where the subordinated notes are placed with external investors. In 2019, the Issuer completed a stand-alone Italian rated securitisation transaction, also structured with a view to achieving significant risk transfer in accordance with Article 244 of the CRR. However, there is a risk that the establishment of the securitisation structure or any other holding structures will not be successful or effectively address the adverse effect of the NPL Backstop.

The Group's business, as well as external conditions, is constantly evolving. As a result, and to ensure compliance with the changing regulatory landscape, the Group may need to increase its own funds in the future, by reducing its lending or investment in other operations or raising additional capital. Such capital, whether in the form of debt financing, hybrid capital or additional equity, may not be available on attractive terms, or at all. Further, regulatory changes could result in the Issuer's existing regulatory capital ceasing to count either at the same level as present or at all, in changes to the current risk weights to the Group's assets or in the Group being restricted from holding assets such as non-performing debt portfolios. If any entity of the Group is required to make additional provisions, increase its reserves or capital, or exit or change its approach to certain businesses as a result of, for example, the initiatives to strengthen the regulation of credit institutions, this would materially adversely affect the Issuer's and/or the Group's results of operations and financial condition, all of which may adversely affect the Group's abilities to raise additional capital.

Serious or systematic deviations by the Group from the above regulations would most likely lead to the Swedish FSA determining that the Group's business does not satisfy the statutory soundness requirement for credit institutions and thus result in the Swedish FSA imposing sanctions on the Group. Further, any increase in the capital and liquidity requirements could have a negative effect on the Group's liquidity (should its revenue streams not cover continuous payment to be made under its issued capital), funding (should it not be able to raise funding on attractive terms, or at all), financial condition (should liquidity and funding be negatively affected) and results of operations (should its costs increase).

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

The Issuer is subject to the Bank Recovery and Resolution Directive (**BRRD**) (which was amended by Directive (EU) 2019/879 (**BRRD II**) on 27 June 2019). The BRRD legislative package establishes a framework for the recovery and resolution of credit institutions and, *inter alia*, requires EU credit institutions (such as the Issuer) to produce and maintain recovery plans setting out the arrangements that are to be taken to restore the long-term viability of the institution in the event of a material deterioration of its financial condition. Credit institutions are also required under the BRRD to meet a minimum requirement for own funds and eligible liabilities ("**MREL Requirement**") determined by the relevant resolution authority (in Sweden, the Swedish National Debt Office (*Riksgäldskontoret*)) in accordance with what is set out in the Swedish Resolution Act (*lag (2015:1016) om resolution*) (the "**Resolution Act**"). The MREL Requirement must be met with own funds, capital instruments and certain types of debt instruments.

The BRRD also contains a number of resolution tools and powers which may be applied by the resolution authority upon certain conditions for resolution being fulfilled. These tools and powers (which may be used alone or in combination) include, *inter alia*, a general power to write-down all or a portion of the principal amount of, or interest on, certain eligible liabilities, whether subordinated or unsubordinated, of the institution in resolution and/or to convert certain unsecured debt claims including senior notes and subordinated notes into other securities, which securities could also be subject to any further application of the general bail-in tool. This means that most of such failing institution's debt (including any Notes) could be subject to bail-in, except for certain classes of debt, such as certain deposits and secured liabilities. In addition to the general bail-in tool, the BRRD provides for relevant authorities to have the power, before any other resolution action is taken, to permanently write-down or convert into equity relevant capital instruments (such as the Notes) at the point of non-viability (see the risk factor *"Loss absorption at the point of non-viability of the Issuer."* below). Ultimately, the resolution authority has the power to take control of a failing institution and, for example, transfer the institution to a private purchaser or to a publicly controlled entity pending a private sector arrangement. All these actions can be taken without any prior shareholder (or other) approval.

In early June 2021, the Swedish legislator approved new legislation attributable to the Swedish implementation of BRRD II. The new legislation entered into force on 1 July 2021, including, *inter alia*, amendments to the applicable minimum MREL Requirement. Amongst other things, the new legislation stipulates that the new MREL Requirement shall be fully complied with from 1 January 2024. This includes a minimum Pillar 1 subordination requirement for systemically important institutions. In December 2021, the Swedish National Debt Office decided on MREL and subordination requirements applicable for systemically important institutions from 1 January 2024 as well as target levels applicable for systemically important institutions from 1 January 2022. In terms of resolution, the Issuer is not deemed a systemically important institution by the Swedish National Debt Office.

There can, however, be no certainty that the Issuer will not be designated a systemically important institution and subject to a higher MREL Requirement in the future. In addition, it is not possible to predict exactly how the powers and tools of the National Debt Office described in the BRRD and the Resolution Act will affect the Issuer. The powers and tools given to the National Debt Office are numerous and may have a material adverse effect on the Issuer and the exercise of any of those powers and tools or any suggestion of such exercise could materially adversely affect the rights of the Noteholders and/or the price or value of the Notes. Accordingly, the degree to which amendments to BRRD or application of BRRD may affect the Issuer is uncertain and presents a significant risk to the Issuer's funding and compliance costs.

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

Due to the Issuer's licence as a "Credit Market Company", it is able to offer corporate and retail deposits to the general public that are covered by the Swedish state-provided deposit guarantee scheme, which guarantees an amount of SEK 1,050,000 (with some exceptions) for each depositor. As such, the Group is required to establish internal processes to handle operational risk related to the deposits, including managing and securing the data systems utilised to host the deposits. Any failure by the Group to comply with these requirements could result in

intervention by regulators or the imposition of sanctions, including a decision that the Issuer's deposits shall no longer be covered by the deposit guarantee scheme. The loss of coverage by the deposit guarantee scheme would likely mean that the Group would have to discontinue the offering of deposit savings accounts to the general public, which would adversely affect the Group's liquidity position and impair the Group's ability to fund its business and potentially also impair or terminate the Group's ability to continue its business as currently conducted.

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

Any of these developments could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is exposed to risks relating to sensitive data.

The Group's ability to conduct its business, including accurately pricing debt portfolios, tracing customers and developing tailored repayment plans, depends on the Group's ability to use customer data. The Group's processing of customer data is governed by data protection laws, privacy requirements and other regulatory restrictions, including, for example, that personal data may only be collected for specified, explicit and legitimate purposes, and may only be processed in a manner consistent with these purposes. Further, the collected personal data must be adequate, relevant and not excessive in relation to the purposes for which it is collected and/or processed, and it must not be kept in a form that permits identification of customers for a longer period of time than necessary for the purposes of the collection. There is a risk that the Group's security controls over personal customer data, its training of employees and partners on data protection, and other data protection practices the Group follows, will not prevent the improper disclosure or processing of such sensitive information in breach of applicable laws and contracts. Any material failure to process customer data in compliance with applicable laws could result in a prohibition to process certain personal data for as long as such non-compliance lasts, which would limit the Group's ability to collect debt during that time, as well as monetary fines, criminal charges, reputational loss and breach of contractual arrangements. Failure to comply with applicable data protection laws presents a significant risk and could have a material adverse effect on the Group's business.

The GDPR imposes stringent requirements on how companies – including the debt purchasing industry – can use personal data and could potentially impair the Group's ability to use customer data by, for example, restricting the Group's ability to create customer profiles. The GDPR has affected the Group's processing of customer data, but the Group's customer data collected in accordance with the GDPR is still a valuable asset on which the Group is dependent. Consequently, the Group is exposed to the risk that the information or customer data that the Group uses would become public and available to its competitors, which could occur as a result of a change in governmental regulation, or if the countries where the Group operates were to introduce measures that have the effect of facilitating the tracing of customers, or if the current data processing restrictions were to change such that credit market participants could access credit information before the acquisition of portfolios. Further, if any of these risks materialise, the Group could potentially lose competitive advantage which could have a negative impact on the Group's business.

Failure to protect, monitor and control the use of the Group's customer data could also cause the Group to lose a competitive advantage. The Group relies on a combination of contractual provisions and confidentiality procedures to protect its customer data and the Group's customer data is stored and protected in its information technology infrastructure platform with access limitations as well as stringent information- and cybersecurity requirements. The Group has an extensive program in place to continuously update, control and monitor these measures. Nevertheless, there is always a risk that competitors or others may gain access to the Group's customer data. Any unauthorised use, misappropriation, or disclosure of the Group's customer data could have an adverse effect on the Group's competitiveness.

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

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

There is a risk that material litigation, disputes or regulatory investigations may occur in the future, and that companies in the Group may in the future be named as defendants in litigation, including (but not limited to) under consumer credit, tax, collections, employment, competition and other laws. Claims could also be brought in relation to, for example, the imposition of late payment fees and areas of alleged non-compliance, which could affect a large portfolio of agreements. In addition, claims management companies and consumer rights groups could increase their focus on the debt collection industry and, in particular, the collection of debts owed under credit agreements. Such negative publicity or attention could result in increased regulatory scrutiny and increased litigation against the Group, including class action suits. These types of claims and proceedings may expose the Group to monetary damages, direct or indirect costs, direct or indirect financial loss, civil and criminal penalties, loss of licences or authorisations, or loss of reputation, as well as the potential for regulatory restrictions on the Group's businesses, all of which could have a material adverse effect on the Group's business, results of operations and financial condition.

Claims against the Group, regardless of merit, could subject the Group to costly litigation or proceedings and divert the Group's management personnel from their regular responsibilities. In addition, claims against the Group relating to labour disputes, such as non-compliance with collective bargain agreements, could also cause the Group to incur additional labour costs and cause disruptions to the Group's operations. Adverse regulatory actions against the Group, or adverse judgements in litigation processes, may result in the Group being forced to suspend certain collection efforts, being subject to enforcement orders, one or more companies in the Group having registration with a particular regulator revoked or being held liable for damage caused to third parties. If such liability is not covered by adequate insurances, this could have an adverse effect on the Group's reputation, business and financial condition. An increased number of claims and liabilities could also have an adverse effect on the Group's ability to obtain required and adequate insurances for its operations, or increase the cost of these insurances.

If any of these risks relating to legal and regulatory claims materialise, it could have an adverse effect on the Group's business, results of operations and financial condition.

The Group is subject to tax-related risks.

The Group conducts operations in multiple European countries and is thus subject to taxation and tax laws and regulations in several jurisdictions. The Group has implemented cross-border arrangements within the Group, for example regarding allocation of certain functions such as preparation and analysis of investment decisions, acquisition of debt portfolios and collection activities relating to debt portfolios between companies in the Group, which expose the Group to tax risks relating to among other things transfer pricing. The Group has also adopted, and regularly updates, Group transfer pricing policies setting out the framework for how the Group prices activities carried out within the Group. The Group has identified potential tax exposures in various jurisdictions in which the Group operates relating primarily to VAT, transfer pricing, permanent establishment and corporate income tax. Certain identified exposures concern significant amounts individually and the aggregate amount of the risks combined is material.

The Group is exposed to potential tax risk resulting from the varying applications and interpretations of tax laws, treaties, regulations and guidance, including in relation to corporate income tax, VAT and the other identified exposures. There is a risk that relevant tax authorities in the jurisdictions in which the Group operates may disagree with, and subsequently challenge, the Group's positions. As an example, following developments in an ongoing tax audit, the Group announced that it had reviewed its total provisions for tax risks, resulting in a net increase of the tax risk provision totalling SEK 97 million in the third quarter of 2021. Accordingly, should the Group be subject to adverse tax decisions relating to either identified or unidentified potential tax exposures, this could change the Group's actual tax exposure, both on a Group and individual country basis, and result in significantly increased tax liabilities, including accrued interest and penalties, which would have a material adverse effect on the Group's business, results of operations and financial position.

There is also a risk that the Group's tax status may be changed as a consequence of amended laws, tax treaties or other provisions. For example, tax structuring within international groups has increasingly become a corporate social responsibility issue and following the rapid development and implementation of the Base Erosion and Profit Shifting ("**BEPS"**) Action Plan, launched by the Organisation for Economic Co-operation and Development ("**OECD**") and supported by the EU, the BEPS may lead to a stricter interpretation of various tax rules and concepts as well as increased global tax coordination among jurisdictions. In the financial year 2022, the Group's tax expenses totalled SEK 78 million, which translates into an effective tax rate of 16 per cent.

There is thus a risk that amended laws, tax treaties or other provisions, will lead to increased tax expenses and a high effective tax rate for the Group, which would negatively affect its results of operations.

Financial risks

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

The Group relies on its deposit funding base to fund the vast majority of its debt acquisitions. As at 31 December 2022, the Group's deposits from the public amounted to SEK 18.6 billion (representing 74 per cent. of the Group's total interest bearing debt), of which SEK 6.6 billion related to deposits in Sweden, SEK 10.8 billion related to German household deposits denominated in EUR and SEK 1 billion related to its deposit programme in the United Kingdom denominated in GBP. Deposits are subject to the risk of large withdrawals and/or redemptions occurring at short notice and thus that there may be a mismatch between the Group's need for funding of the Group's liabilities and the Group's access to liquidity. The outflow of deposits is subject to fluctuation due to a number of factors, many of which are outside of the Group's control, such as general economic conditions, including a substantial increase in insolvencies, unemployment and inflation rates. A perceived increase in the risk of the Group's operations by its depositors may also lead to outflows of deposits. Should there be a substantial outflow of deposits, the Group may be unable to generate sufficient liquidity from its existing portfolios, which would adversely affect the Group's ability to acquire additional portfolios as they become available and thus risk having a negative effect on the Group's business, results of operations and financial condition. In addition to the above-mentioned risk relating to the Group's reliance on its deposit funding base, there is a risk that the Group in the future will not have access to alternative sources of liquidity, such as the equity and/or debt capital markets or bank financing. At the maturity of the Group's existing financing, the Group may be unable, should it wish, to successfully refinance the indebtedness or only succeed in borrowing at substantially increased cost, due to changed market conditions, a perceived increase in the risk of the Group's operations by investors in the Issuer's bonds or by other potential lenders, or any other relevant factors. Further, a downgrade of the Issuer's credit rating could, amongst other things, increase the Group's borrowing costs, adversely affect its liquidity position, limit its access to the capital markets, undermine confidence in (and the competitive position of) the Group and/or limit the range of counterparties willing to enter into transactions with the Group. The nominal amount of the Group's funding sources, in particular long-term financing, may be limited during a liquidity squeeze in the financial markets. Turbulence in the global financial markets and economy may also adversely affect the Group's ability to refinance, which may result in a higher risk profile. An inability to access alternative sources of liquidity and to refinance the Group's existing debt as it falls due and payable without incurring substantially increased cost, may have a material negative effect on the Group's business, results of operations and financial condition.

Negative publicity and other events relating to the Group's reputation could also affect the Group's access to funding. For example, such events could affect the relationships with the Group's current or potential deposit customers, which could lead to withdrawals from the Group's deposit accounts and decreased levels of new

deposits from the public, and adversely affect the Group's relationships with investors in the equity and/or debt capital markets, which could lead to decreased availability of capital markets originated equity and/or debt.

In light of the above, the degree to which refinancing risk and the risk of the Group not being able to obtain additional financing may affect the Group is uncertain, and presents a highly significant risk to the Group's business, results of operations and financial condition.

The Group is exposed to market and liquidity risks.

The Group is subject to market, liquidity and counterparty risks in relation to its assets held as liquidity reserve. As of 31 December 2022, the Group's liquidity reserve amounted to SEK 8,897 million, equal to 27 per cent of the Group's total assets, which was largely made up of Swedish government and municipal bonds and covered bonds, and also includes short-term lending to other banks. The Group's ability to sell these assets at a commercially desirable price or at all may be impaired if other market participants are seeking to sell such assets at the same time or when the market value of such assets is difficult to ascertain due to market volatility or otherwise uncertain market conditions. Consequently, there is a risk that the Group may be unable to repay its debts as they fall due if the Group is unable to realise its liquidity reserve into cash, which could have a material adverse effect on the Group's liquidity and financial condition.

In addition, the Group is exposed to risks where suitable hedge instruments for the types of risk to which the Group is exposed are not available at a reasonable cost or at all. The Group continuously hedges its unwanted market and liquidity risks, as well as other exposures. However, there is a risk that the Group's hedges are not implemented correctly or that there will be a mismatch between the performance of the Group's hedging instruments and the effects of the items being hedged. Hedging may thus lead to large losses for the Group. These losses may arise for various reasons, for example a counterparty failing to perform its obligations under an applicable hedging agreement, shortcomings in the agreement, non-compliance with the Group's internal hedging policies and procedures, or such policies and procedures failing to function as they should, all of which risk having a material adverse effect on the Group's liquidity and financial condition.

Increases in interest rates may negatively impact the Group's profit.

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

As a result, the Group may enter into derivative transactions to attempt to hedge the unwanted portion of such exposure. Despite measures to hedge the Group's interest rate exposures through, for example, interest rate swaps, any remaining mismatch caused by interest rate variations may have a material adverse effect on the Group's business, results of operations and financial condition and the performance by the Issuer of its obligations under the Notes. As at 31 December 2022, a sudden and permanent parallel shift of -/+ 100 basis points in short-term market interest rates would result in a total impact of SEK 178 million on the Group's profit/loss over one year. The impact on the Group's equity would be +/- 3.11 per cent.

The Group is exposed to the risk of currency fluctuations.

Foreign currency fluctuations may have an adverse impact on the Group's income statement, balance sheet and/or cash flows as a result of the reporting currency used in preparing the Issuer's balance sheet being different

from the reporting currency of the Issuer's subsidiaries, the Issuer's assets and liabilities being stated in different currencies and certain revenue and costs arising in different currencies.

The results of, and the financial position of, the Issuer's subsidiaries are reported in relevant local currencies, and then translated into the reporting currency of the Issuer, which is SEK, at the applicable exchange rates for inclusion in the Issuer's balance sheet. Further, the debt portfolios of the Issuer and its subsidiaries (that is, the Issuer's and its subsidiaries' primary assets) are all denominated in currencies other than SEK, while the Issuer's deposits raised from the public (that being the Issuer's dominant liability) are denominated in SEK, EUR and GBP. Accordingly, the Group is exposed to currency risk with respect to adverse fluctuations in the exchange rates between SEK and relevant foreign currencies, of which the most significant currencies are EUR, GBP and PLN. For example, if the SEK exchange rate is weakened, this would lead to an increased book value of foreign debt portfolios in the Issuer's reporting and thus have an adverse effect on the Issuer's capital adequacy.

Exchange rates between reporting currencies of the Issuer's subsidiaries and the reporting currency of the Issuer have in recent years fluctuated significantly and may in the future fluctuate significantly due to, among other things, the overall instability of the European monetary union. Based on the conditions prevailing on 31 December 2022, a +/- 10 per cent. change in the EUR/SEK, GBP/SEK and PLN/SEK exchange rates would have resulted in a translation effect on the Group's operating profit corresponding to SEK 0.2 million, SEK 0.2 million and SEK 5.4 million, respectively. Accordingly, to the extent that foreign exchange rate exposures are not hedged, there is a risk that any significant movements in the relevant exchange rates would have an adverse effect on the Group's financial condition.

Risks relating to the Notes

The Issuer's obligations under the Notes are deeply subordinated.

The Notes are intended to constitute unsecured, deeply subordinated obligations of the Issuer and the Consolidated Situation. In the event of the voluntary or involuntary liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer, the rights of the Noteholders to payments on or in respect of (including any damages awarded for breach of any obligations under) the Notes (which in the case of any payment of principal shall be to payment of the then Nominal Amount only) shall at all times rank:

(a) *pari passu* without any preference among themselves;

(b) *pari passu* with:

(i) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital; and

(ii) any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, equally with the Notes,

in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

(c) senior to the claims of holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and

(d) junior to any present and future claims of:

(i) depositors of the Issuer;

(ii) any other unsubordinated creditors of the Issuer;

(iii) any non-preferred creditors falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979)*); and

(iv) except as expressly stated in paragraph (a) or (b) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital.

In the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, there is a risk that the Issuer does not have enough assets remaining after payments to senior ranking creditors to pay amounts due under the Notes.

No Noteholder who is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder.

As a result of the above, there is a risk that the Noteholders will lose some or all of their investment in the Notes. Although the Notes may pay a higher rate of interest than comparable notes which are not subordinated or which are subordinated but not so deeply, there is a significant risk that an investor in the Notes will lose all or some of its investment in the event of a voluntary or involuntary liquidation or bankruptcy of the Issuer. Accordingly, in a worst case scenario, the value of the Notes may be reduced to zero.

As noted in the risk factors "*The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of any Notes.*" above and "*Loss absorption at the point of non-viability of the Issuer.*" below, there is a risk of the Notes being written-down or converted into other securities in a resolution scenario or at the point of non-viability of the Issuer.

Interest payments on the Notes may be cancelled by the Issuer.

Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and (i) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; or (ii) will be mandatorily cancelled if and to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

Any cancellation of Interest (in whole or in part thereof) shall in no way limit or restrict the Issuer from making any payment of interest or equivalent payment or other distribution in connection with any instrument ranking junior to the Notes, any CET1 capital of the Issuer or in respect of any other Additional Tier 1 Capital instruments. In addition, the Issuer may without restriction use funds that could have been applied to make such cancelled payments to meet its other obligations as they become due.

As a result of the above, there is a risk that the payment of Interest is cancelled, which would adversely affect the Noteholders. Following any cancellation of interest as described above, Noteholders shall have no right thereto or to receive additional interest or compensation. Furthermore, no cancellation of interest in accordance with the terms of the respective Notes shall constitute a default in payment or otherwise under the Notes or entitle Noteholders to take any action to cause the Issuer to be declared bankrupt or for the liquidation, winding-up or dissolution of the Issuer. Accordingly, in a worst case scenario, the amount of any Interest may be reduced to zero.

Any actual or anticipated cancellation of interest on the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the interest cancellation provisions of the Notes, the market price of the Notes is likely to be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such cancellation and also more sensitive generally to adverse changes in the Issuer's financial condition.

Loss absorption following a Trigger Event.

If at any time the CET1 Ratio of (i) the Issuer is less than 5.125 per cent., or (ii) the Consolidated Situation is less than 7.00 per cent, this constitutes a Trigger Event and the Total Nominal Amount of the Notes shall be written down by an amount sufficient to restore the CET1 Ratio of the Issuer to at least 5.125 per cent., or the Consolidated Situation to at least 7.00 per cent., provided that the Nominal Amount of each Note may not be written down below SEK 1. The write down of the Notes is likely to result in a holder of Notes losing some or all of its investment. Following any such reduction of the Total Nominal Amount, the Issuer may, at its discretion, reinstate in whole or in part the principal amount of the Notes, if certain conditions are met. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes (and any such reinstatement is likely to require unanimous approval at a shareholders' meeting of the Issuer).

The Issuer and/or the Swedish FSA may determine that a Trigger Event has occurred on more than one occasion and the reduced Nominal Amount of each Note may be written down on more than one occasion. Further, during any period when the then Nominal Amount of a Note is less than the initial Nominal Amount, interest will accrue on and the Notes will be redeemed at the reduced Nominal Amount of the Notes.

The Issuer's and/or the Swedish FSA's calculation of the CET1 Ratio of the Issuer and/or the Consolidated Situation, and therefore its determination of whether a Trigger Event has occurred, shall be binding on the Noteholders, who shall have no right to challenge the published figures detailing the CET1 Ratio of the Issuer and/or the Consolidated Situation.

Further, no trigger event in respect of the Consolidated Situation corresponding to the Trigger Event (as described above) is included in the terms and conditions for any of the Issuer's other Additional Tier 1 Capital instruments. Hence, if the CET1 Ratio of the Consolidated Situation is less than 7.00 per cent, this will not affect such existing Additional Tier 1 Capital instruments (provided that the CET1 Ratio of the Issuer is at least 5.125 per cent), whereas the Notes shall be written down to restore the CET1 Ratio of the Consolidated Situation to at least 7.00 per cent.

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

The Noteholders are subject to the risk that the Notes may be required to absorb losses as a result of statutory powers conferred on resolution and competent authorities in Sweden (the Swedish National Debt Office and the Swedish FSA). As noted above in the risk factor "*The Bank Recovery and Resolution Directive is intended to enable a range of actions to be taken in relation to credit institutions and investment firms considered to be at risk of failing. The taking of any action under this Directive could materially affect the value of any Notes.*" the powers provided to resolution and competent authorities in the BRRD include write-down/conversion powers to ensure that relevant capital instruments (such as the Notes) fully absorb losses at the point of non-viability of the issuing institution in order to allow it to continue as a going concern subject to appropriate restructuring and without entering resolution. As a result, the BRRD contemplates that resolution authorities have the power to require the permanent write-down of such capital instruments (which write-down may be in full) or the conversion of them into CET1 instruments at the point of non-viability and before any other bail-in or resolution tool can be used. Accordingly, in a worst case scenario, the capital instruments may be written down and the value of the Notes may be reduced to zero.

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

The Issuer may redeem the Notes on the occurrence of a Capital Event or Tax Event.

The Issuer may in certain circumstances, at its option, but in each case subject to obtaining the prior consent of the Swedish FSA, redeem the Notes upon the occurrence of a Capital Event or Tax Event at par together with accrued Interest on any Interest Payment Date.

It should also be noted that the Issuer may redeem the Notes as described above even if (i) the Total Nominal Amount of the Notes has been reduced by means of a write-down in accordance with the Terms and Conditions and (ii) the principal amount of the Notes has not been fully reinstated to the initial Nominal Amount of the Notes.

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

The Notes have no maturity and call options are subject to the prior consent of the Swedish FSA.

The Issuer has the option to, at its own discretion, redeem the Notes five years after they have been issued at any Business Day falling within the Initial Call Period or any Interest Payment Date falling after the Initial Call Period. If the Issuer considers it favourable to exercise such a call option, the Issuer must obtain the prior consent of the Swedish FSA.

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

Substitution or variation of the Notes.

Subject to Clause 12.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) of the Terms and Conditions and the prior written permission of the Swedish FSA, the Issuer may, at its option and without the permission or approval of the relevant Noteholders, elect to substitute or vary the terms of all (but not some only) outstanding Notes for, or so that they become or remain, as applicable, Qualifying Securities (as defined in the Terms and Conditions) if a Capital Event or Tax Event occurs.

There is a risk that, due to the particular circumstances of each Noteholder, any Qualifying Securities will be less favourable to each Noteholder in all respects or that a particular Noteholder would not make the same determination as the Issuer as to whether the terms of the relevant Qualifying Securities are not materially less favourable to Noteholders than the terms of the relevant Notes. The substitution or variation of the Notes may thus lead to changes in the Notes that have effects that are less favourable to the Noteholders. The Issuer bears no responsibility towards the Noteholders for any adverse effects of such substitution or variation (including, without limitation, with respect to any adverse tax consequence suffered by any Noteholder). The degree to which the Notes may be substituted or varied is uncertain and presents a highly significant risk to the return of the Notes.

The Issuer is not (and nor is any other Group Company) prohibited from issuing further debt, which may rank pari passu with or senior to the Notes.

There is no restriction on the amount or type of debt that the Issuer, or another company within the Group, may issue or incur that ranks senior to, or *pari passu* with, the Notes. There is a risk that the incurrence of any such debt reduces the amount recoverable by Noteholders in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer, limits the ability of the Issuer to meet its obligations in respect of the Notes and results in Noteholders losing all or some of their investment in the Notes. The degree to which other debt that ranks senior to, or *pari passu* with, the Notes may be issued is uncertain and presents a highly significant risk to the amount recoverable by Noteholders.

The Issuer is not (and nor is any other Group Company) prohibited from pledging assets for other debt.

There is no restriction on the amount or type of assets that the Issuer or any other Group Company can pledge, or otherwise use as security, for other debt. If the Issuer chooses to do so, there is a risk that this reduces the amount recoverable by Noteholders in the event of the voluntary or involuntary liquidation or bankruptcy of the Issuer and result in Noteholders losing all or some of their investment in the Notes.

The degree to which any other asset pledged may affect the Noteholders is uncertain and presents a highly significant risk to the amount recoverable by Noteholders.

There are no events of default under the Notes.

The Terms and conditions to not provide for any events of default allowing acceleration of the Notes following certain events. Accordingly, if the Issuer fails to meet any obligations under the Notes, including any payment of principal, interest and/or other amounts due under the Notes, Noteholders will not have any right to request repurchase of its Notes or any other remedy for such breach.

European Benchmarks Regulation.

In order to ensure the reliability of reference rates (such as STIBOR), legislative action at EU level has been taken. Hence, the so-called Benchmarks Regulation (Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indexes used as reference values for financial instruments and financial agreements or for measuring investment fund results and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014) were added and entered into force on 1 January 2018. The Benchmark Regulation regulates the provision of reference values, reporting of data bases for reference values and use of reference values within the EU. Since the benchmark regulation has only been applied for a short period of time, the effects of it so far are difficult to assess. However, there are future risks that the benchmark regulation affects how certain reference rates are determined and how they are developed. This in conjunction with increased administrative requirements is likely to lead to a reduced number of entities involved in the determination of reference rates, which, in such case, would lead to a certain reference interest ceasing to be published.

The Terms and Conditions provide that the interest rate benchmark STIBOR, which applies for the Notes, can be replaced as set out therein, upon the occurrence of a Base Rate Event which includes if STIBOR ceases to be calculated or administered. Such replacement shall be made in good faith and in a commercially reasonable manner and is always subject to the Applicable Capital Regulations and the prior written consent of the Swedish FSA. However, there is a risk that such replacement is not made in an effective manner and consequently, if STIBOR ceases to be calculated or administered, an investor in the Notes would be adversely affected. The degree to which amendments to and application of the European Benchmarks Regulation may affect the Noteholders is uncertain and presents a highly significant risk to the return on the Noteholder's investment.

OVERVIEW OF THE NOTES

This section (Overview of the Notes) is only intended to serve as an introduction to the Notes. Amy decision to invest in the Notes shall be based on an assessment of all information contained in this Prospectus as well as all documents incorporated herein by reference. The complete terms and conditions of the Notes are found on pages 32-66.

The Notes

The Issuer has issued 560 Notes with a Nominal Amount of SEK 1,250,000 each. The aggregate nominal amount of the Notes is SEK 700,000,000.

The Notes are denominated in Swedish kronor.

ISIN and common code

The Notes have been allocated the ISIN code SE0020181667. The Notes will also be allocated a common code upon admission to trading. Such common code has not been allocated at the date of this Prospectus.

Form of the Notes

The Notes are issued in dematerialised book-entry form and registered on a Securities Account on behalf of the relevant Noteholder. Hence, no physical notes have been issued. The Notes are registered in accordance with the Financial Instruments Accounts Act and registration requests relating to the Notes shall be directed to an Account Operator. Clearing and settlement relating to the Notes, as well as payment of Interest and redemption of principal amounts, will be performed within the CSD's account-based system and is reliant on the functioning of such system.

Status of the Notes

The Notes on issue are intended to constitute Additional Tier 1 Capital of the Issuer and the Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt liabilities of the Issuer, and all payments in respect of, or arising from (including any damages awarded for breach of any obligations under) such Notes, shall at all times rank:

(a) *pari passu* without any preference among themselves;

(b) *pari passu* with (i) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital and (ii) any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, equally with the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

(c) senior to the claims of holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and

(d) junior to any present and future claims of (i) depositors of the Issuer, (ii) any other unsubordinated creditors of the Issuer, (iii) any non-preferred creditors falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslagen (1970:979)*), and (iv) except as expressly stated in paragraph (a) or (b) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital.

Issuance, repurchase and redemption

Issue Date and tenor

The Notes were issued on 24 May 2023. The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in Clause 12 (*Redemption and repurchase of the Notes*) of the Terms and Conditions. The Notes are not redeemable at the option of the Noteholders at any time.

Purchase of the Notes by the Issuer and related companies

Subject to applicable law and Clause 12.5 (*Permission from the Swedish FSA*) of the Terms and Conditions, the Issuer or a Group Company, or other company forming part of the Consolidated Situation, may at any time on or following the relevant First Call Date and at any price purchase Notes on the market or in any other way. Notes held by such company may at its discretion be retained, sold or cancelled.

Early redemption at the option of the Issuer

Subject to permission from the Swedish FSA in accordance with the Terms and Conditions, all (but not some only) outstanding Notes can be redeemed at the option of the Issuer (i) any Business Day falling within the Initial Call Period or (ii) any Interest Payment Date falling after the Initial Call Period.

The Issuer can exercise its option by giving (i) not less than fifteen (15) Business Days' notice to the Noteholders and (ii) not less than five (5) Business Days' notice to the Agent (or such lesser period as may be agreed between the Issuer and the Agent) before giving such notice to the Noteholders referred to in item (i), in accordance with the Terms and Conditions. The Notes shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

Noteholders should not invest in the Notes with the expectation that a call will be exercised by the Issuer. The Issuer might not elect to exercise such a call. Further, the Swedish FSA must agree to permit such a call, based upon its evaluation of the regulatory capital position of the Issuer and certain other factors at the relevant time. There is a risk that the Swedish FSA will not permit such a call. Noteholders should be aware that they may be required to bear the financial risks of an investment in the Notes indefinitely.

Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event

Subject to permission from the Swedish FSA in accordance with the Terms and Conditions, all (but not some only) outstanding Notes can be (i) redeemed on any Interest Payment Date or (ii) substituted or varied without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with the Terms and Conditions in relation to the Qualifying Securities so substituted or varied.

The Issuer can exercise its option by giving (i) not less than fifteen (15) Business Days' notice to the Noteholders and (ii) not less than five (5) Business Days' notice to the Agent (or such lesser period as may be agreed between the Issuer and the Agent) before giving such notice to the Noteholders referred to in item (i), in accordance with the Terms and Conditions. If the Notes shall be redeemed, they shall be redeemed at a price per Note equal to the Nominal Amount together with accrued but unpaid Interest.

Payments in respect of the Notes

Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant due date, or to such other person who is registered with the CSD on such date as being entitled to receive the relevant payment, repayment or repurchase amount.

Interest

Each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date. The Interest Rate will be the Base Rate, i.e. STIBOR or any reference rate replacing STIBOR in accordance with Clause 18 (*Replacement of Base Rate*) of the Terms and Conditions, plus a margin of 10 per cent per annum.

Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

The Interest Payment Dates will be 24 May, 24 August, 24 November and 24 February of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes will be 24 August 2023 and the last Interest Payment Date shall be the relevant Redemption Date.

Interest cancellation

Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

(a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; or

(b) will be mandatorily cancelled to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

The Issuer can exercise its cancellation by giving notice to the relevant Noteholders and the Agent in accordance with the Terms and Conditions, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. However, failure to give such notice shall not prejudice the right of the Issuer to not pay Interest as aforementioned.

Trigger Events, loss absorption and reinstatement

A Trigger Event occurs if, at any time, the CET1 Ratio of the Issuer or the Issuer Consolidated Situation, as calculated in accordance with the Applicable Capital Regulations, is less than 5.125 per cent., in the case of the Issuer, or 7.00 per cent., in the case of the Consolidated Situation, in each case as determined by the Issuer and/or the Swedish FSA (or any agent appointed for such purpose by the Swedish).

If at any time a Trigger Event occurs, the Issuer shall immediately notify the Swedish FSA, the relevant Noteholders and the Agent in accordance with the Terms and Conditions and the Total Nominal Amount or the Issuer's payment obligation under the respective Notes shall be written down. A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with the Swedish FSA and in accordance with the rules of the CSD. The amount of the reduction of the Total Nominal Amount on the Write Down Date shall equal the amount of a write-down that would reduce the Total Nominal Amount down to SEK 560 (i.e. down to a Nominal Amount of SEK 1) or such lower reduction amount as is sufficient to restore the CET1 Ratio of the Issuer to at least 5.125 per cent., and the CET1 Ratio of the Issuer Consolidated Situation to at least 7.00 per cent., in each case at the point of such write-down, on the terms as set out in Clause 11.1 (*Loss absorption upon a Trigger Event*) of the Terms and Conditions.

Following a write-down of the Total Nominal Amount, the Issuer may, at its sole and absolute discretion, reinstate the Notes, subject to compliance with any maximum distribution limits set out the Applicable Capital Regulations. The Issuer will not in any circumstances be obliged to reinstate in whole or in part the principal amount of the Notes. Any such reinstatement may constitute a "transfer of value" (*värdeöverföring*) for the purposes of the Swedish Companies Act (*aktiebolagslagen (2005:551)*) which would require the unanimous approval of the shareholders of the transferor (i.e. the Issuer) at the time of the transfer. No assurance can be given that the Issuer's shareholders would approve any such reinstatement at the relevant time.

Unless write up of the principal of the Notes is permitted and possible in accordance with the rules of the CSD, reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital of the Issuer to

the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the rules of the CSD. For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the respective Notes (if issued in full), being SEK 700,000,000.

European Benchmarks Regulation

The Interest payable under the Notes is calculated by reference to the benchmark STIBOR, as defined in the Terms and Conditions. This benchmark is provided by Swedish Financial Benchmark Facility AB ("**SFBF**"). As at the date of this Prospectus, SFBF appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmark Regulation (Regulation (EU 2016/1011).

Admission to trading

The Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date, or, if such admission to trading is not possible to obtain or maintain, admitted to trading on another Regulated Market. Prior to any admission to trading, there has been no public market for the Notes. An active trading market for the Notes may not develop or, if developed, it might not be sustained. The Nominal Amount may not be indicative of the market price for the Notes.

The Issuer shall, following the admission to trading, use reasonable efforts to maintain the admission to trading as long as any Notes are outstanding, however not longer than up to and including the last day of which the admission to trading can reasonably, pursuant to the applicable regulations of the Regulated Market and the CSD, subsist.

The earliest date on which the Notes will be admitted to trading will be 29 June 2023. It is estimated that the Issuer's costs in conjunction with the admission to trading will not be higher than SEK 100,000.

Decisions by Noteholders

A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

Only a person who is, or who has been provided with a power of attorney in accordance with the Terms and Conditions from a person who is, registered as a Noteholder:

(a) on the Record Date prior to the date of the Noteholders' Meeting pursuant to Clause 16.2.2 of the Terms and Conditions, in respect of a Noteholders' Meeting, or

(b) on the Record Date specified in the communication pursuant to Clause 16.3.2 of the Terms and Conditions, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Nominal Amount. Such Business Day specified pursuant to paragraph (b) above must fall no earlier than one (1) Business Day after the effective date of the communication.

A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.

Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be sent by notice to each person registered as a Noteholder on the date referred to above in item (a) or (b), as the case may be, and shall also be 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 Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

No direct action by Noteholders

Subject to certain exemptions set out in the Terms and Conditions, a Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents.

No right for the Noteholders or the Agent to accelerate the Notes

The Notes are intended to constitute Additional Tier 1 Capital of the Issuer. As such, the Terms and Conditions do not include any obligations or undertakings on the Issuer the breach of which would entitle the Noteholders or the Agent to accelerate the Notes.

Bankruptcy and liquidation

If, and, notwithstanding anything to the contrary in the Terms and Conditions, only if, the Issuer is declared bankrupt or put into liquidation, a Noteholder may prove or claim in such bankruptcy or liquidation for payment of the Nominal Amount of Notes held by such Noteholder, together with Interest accrued to (but excluding) the date of commencement of the relevant bankruptcy or liquidation proceedings to the extent the Interest has not been cancelled by the Issuer.

No other remedy against the Issuer than as set out in the immediately preceding paragraph shall be available to the Noteholders in respect of the Notes, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its obligations or undertakings with respect to the Notes.

Time-bar

The right to receive repayment of the principal of the Notes shall be time-barred and become void ten (10) years from the Redemption Date. Subject to Clause 10 (*Interest and interest cancellation*) of the Terms and Conditions, 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 Noteholders' right to receive payment has been time-barred and has become void.

Governing law

The Terms and Conditions of the Notes and any non-contractual obligations arising out of or in connection therewith shall be governed by and construed in accordance with the laws of Sweden. The Issuer submits to the non-exclusive jurisdiction of the City Court of Stockholm (*Stockholms tingsrätt*).

The CSD

Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, SE-101 23 Stockholm, Sweden, is initially acting as Central Securities Depositary (CSD) and registrar in respect of the Notes.

The Issuer and the Agent shall at all times be entitled to obtain information from the debt register (*skuldbok*) kept by the CSD in respect of the Notes. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the debt register kept by the CSD in respect of the Notes.

The Agent

Nordic Trustee & Agency AB (publ) Swedish Reg. No. 556882-1879, has been appointed as Agent on behalf of the Noteholders in accordance with the Terms and Conditions. The Agency Agreement is available to the Noteholders at the office of the Agent during normal business hours.

The Issuing Agent

Nordea Bank Abp, filial i Sverige, Swedish Reg. No. 516411-1683, has been appointed as Issuing Agent in accordance with the Terms and Conditions of the Notes.

The Joint Bookrunners

Nordea Bank Abp and Skandinaviska Enskilda Banken AB (publ) have been appointed as Joint Bookrunners.

Use and net amount of proceeds

The net amount of the proceeds is SEK 700,000,000. The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes.

Restrictions on the transferability of the Notes

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. A holder of Notes may not offer or sell the Notes in the United States. The Issuer has not undertaken to register the Notes under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Notes in the future. Furthermore, the Issuer has not registered the Notes under any other country's securities laws. It is the Noteholder's obligation to ensure that the offers and sales of Notes comply with all applicable securities laws.

TERMS AND CONDITIONS FOR

HOIST FINANCE AB (PUBL)

SEK 700,000,000
FLOATING RATE ADDITIONAL TIER 1 CAPITAL NOTES

ISIN: SE0020181667

Issue date: 24 May 2023

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

MIFID II PRODUCT GOVERNANCE

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of directive 2014/65/EU as amended ("**MIFID II**"); or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Regulation (EU) 2017/1129 (as amended the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

PRIVACY NOTICE

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

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

(a) to exercise their respective rights and fulfil their respective obligations under the Finance Documents:

(b) to manage the administration of the Notes and payments under the Notes;

(c) to enable the Noteholders' to exercise their rights under the Finance Documents, and

(d) to comply with their obligations under applicable laws and regulations.

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

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

The Issuer's, the Issuing Agent's and the Agent's addresses, and the contact details for their respective Data Protection Officers (if applicable), are found on their websites **https://www.hoistfinance.com**, **https://www.nordea.se** and **https://www.nordictrustee.com/**

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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 pursuant to the Financial Instruments Accounts Act and through which a Noteholder has opened a Securities Account in respect of its Notes.

"**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/as in force on the Issue Date) as applied by the Issuer in preparing its annual consolidated financial statements.

"**Additional Tier 1 Capital**" means, at any time, the sum, expressed in Swedish Kronor, of all amounts that constitute additional tier 1 capital (*primärkapitaltillskott*) as defined in the Applicable Capital Regulations.

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

"**Affiliate**" means:

(a) an entity controlling or under common control with the Issuer, other than a Group Company; and

(b) any other person or entity owning any Notes (irrespective of whether such person is directly registered as owner of such Notes) that has undertaken towards a Group Company or an entity referred to in paragraph (a) above to vote for such Notes in accordance with the instructions given by a Group Company or an entity referred to in paragraph (a) above.

For the purposes of this definition, "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through ownership of voting securities, by agreement or otherwise.

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

"**Agent**" means Nordic Trustee & Agency AB (publ), Swedish Reg. No. 556882-1879, or such other party replacing it, as Agent, in accordance with these Terms and Conditions.

"**Applicable Capital Regulations**" means at any time the laws, regulations, requirements, guidelines and policies relating to capital adequacy applicable to the Issuer or the Consolidated Situation, as the case may be, including, without limitation to the generality of the foregoing, CRD IV, any delegated act adopted by the European Commission thereunder and any other laws, regulations, requirements, guidelines and policies relating to capital adequacy as then applied in Sweden by the Swedish FSA and/or any successor (whether or not such requirements, guidelines, regulatory technical standards or policies have the force of law and whether or not they are applied generally or specifically to the Issuer or the Consolidated Situation).

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

"**Base Rate Administrator**" means Swedish Financial Benchmark Facility AB (SFBF) or any person replacing it as administrator of the Base Rate.

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

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

"**Capital Event**" means, at any time on or after the Issue Date, a change (which has occurred or which the Swedish FSA considers to be sufficiently certain) in the regulatory classification of the Notes that results, or would be likely to result, in the exclusion, wholly or partially, of the Notes from the Additional Tier 1 Capital of the Issuer and/or the Consolidated Situation or the reclassification, wholly or partially, of the Notes as a lower quality form of regulatory capital (other than by reason of a partial exclusion of the Notes as a result of a write-down following a Trigger Event), provided that the Issuer demonstrates to the satisfaction of the Swedish FSA that such change was not reasonably foreseeable at the Issue Date and provided that such exclusion or reclassification is not a result of any applicable limitation on the amount of such Additional Tier 1 Capital contained in the Applicable Capital Regulations.

"**CET1 Capital**" means, at any time, the sum, expressed in Swedish Kronor, of all amounts that constitute common equity tier 1 capital of the Issuer or the Consolidated Situation as calculated by the Issuer in accordance with the Applicable Capital Regulations.

"**CET1 Ratio**" means, at any time:

(a) in relation to the Issuer, the ratio (expressed as a percentage) of the aggregate amount of the CET1 Capital of the Issuer at such time *divided* by the Risk Exposure Amount of the Issuer at such time; and

(b) in relation to the Consolidated Situation, the ratio (expressed as a percentage) of the aggregate amount of the CET1 Capital of the Consolidated Situation at such time *divided* by the Risk Exposure Amount of the Consolidated Situation at such time,

in each case as calculated by the Issuer in accordance with the CRD IV requirements and any applicable transitional arrangements under the Applicable Capital Regulations at the relevant time.

"**Consolidated Situation**" means the Issuer and any other entity which is part of the Swedish prudential consolidated situation (as such term is used in the Applicable Capital Regulations) of the Issuer, from time to time.

"**CRD IV**" means the legislative package consisting of the CRD IV Directive, the CRR and any CRD IV Implementing Measures.

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

"**CRD IV Implementing Measures**" means any regulatory capital rules, regulations or other requirements implementing (or promulgated in the context of) the CRD IV Directive or the CRR which may from time to time be introduced, including, but not limited to, delegated or implementing acts or regulations (including technical standards) adopted by the European Commission, national laws and regulations, adopted by the Swedish FSA and guidelines issued by the Swedish FSA, the European Banking Authority or any other relevant authority, which are applicable to the Issuer, the Consolidated Situation or the Group, as applicable, in each case as the same may be amended or replaced from time to time.

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

"**CSD**" means the Issuer's central securities depository and registrar in respect of the Notes, Euroclear Sweden AB, Swedish Reg. No. 556112-8074, P.O. Box 191, 101 23 Stockholm, Sweden, or any other party replacing it, as CSD, in accordance with these Terms and Conditions.

"**CSD Regulations**" means the CSD's rules and regulations applicable to the Issuer, the Agent and the Notes from time to time.

"**Debt Register**" means the debt register (*skuldbok*) kept by the CSD in respect of the Notes in which a Noteholder is registered.

"**Distributable Items**" shall have the meaning given to such term in CRD IV interpreted and applied in accordance with the Applicable Capital Regulations.

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

"**Financial Instruments Accounts Act**" means the Swedish Central Securities Depositories and Financial Instruments Accounts Act (*lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*).

"**First Call Date**" means the Interest Payment Date falling on or immediately after the fifth (5) anniversary of the Issue Date (being 24 May 2028).

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

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

"**Initial Call Period**" means the period commencing on (and including) the First Call Date and ending on (and including) the Interest Payment Date falling on or immediately after three (3) months of the First Call Date.

"**Insolvent**" means, in respect of a relevant person, that it is deemed to be insolvent, or admits inability to pay its debts as they fall due, in each case within the meaning of Chapter 2, Sections 7–9 of the Swedish Bankruptcy Act (*konkurslag (1987:672))* (or its equivalent in any other jurisdiction), suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with all or substantially all of its creditors (other than the Noteholders and creditors of secured debt) with a view to rescheduling any of its indebtedness (including company reorganisation under the Swedish Company Reorganisation Act (*lag (2022:964) om företagsrekonstruktion*) (or its equivalent in any other jurisdiction)) or is subject to involuntary winding-up, dissolution or liquidation.

"**Interest**" means the interest on the Notes calculated in accordance with Clause 10.1 (*Interest*).

"**Interest Payment Date**" means 24 May, 24 August, 24 November and 24 February of each year or, to the extent such day is not a Business Day, the Business Day following from an application of the Business Day Convention. The first Interest Payment Date for the Notes shall be 24 August 2023 and the last Interest Payment Date shall be the relevant Redemption Date.

"**Interest Period**" means:

(a) in respect of the first Interest Period, the period from (but excluding) the Issue Date to (and including) the first Interest Payment Date; and

(b) in respect of subsequent Interest Periods, the period from (but excluding) an Interest Payment Date to (and including) the next succeeding Interest Payment Date (or a shorter period if relevant).

"**Interest Rate**" means the Base Rate plus ten (10) per cent. *per annum* as adjusted by any application of Clause 18 (*Replacement of Base Rate*).

"**Issue Date**" means 24 May 2023.

"**Issuer**" means Hoist Finance AB (publ), a public limited liability credit market company (*kreditmarknadsföretag*) incorporated under the laws of Sweden with Swedish Reg. No. 556012-8489 and LEI code 549300NPK3FB2BEL4D08.

"**Issuing Agent**" means Nordea Bank Abp, filial i Sverige, or such other party replacing it, as Issuing Agent, in accordance with these Terms and Conditions and the CSD Regulations.

"**Loss Absorbing Instruments**" means capital instruments or other obligations of the Issuer (other than the Notes) which include a principal loss absorption mechanism that is capable of generating CET1 Capital and that is activated by a trigger event set by reference to the CET1 Ratio.

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

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

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

"**Noteholders' Meeting**" means a meeting among the Noteholders held in accordance with Clause 16.1 (*Request for a decision*), Clause 16.2 (*Convening of Noteholders' Meeting*) and Clause 16.4 (*Majority, quorum and other provisions*).

"**Qualifying Securities**" means securities issued directly by the Issuer following a substitution or variation of the Notes in accordance with Clause 12.4(b) that have terms not materially less favourable to investors, certified by the Issuer acting reasonably (having consulted with an independent investment bank or independent financial adviser of international standing), than the terms of the Notes (immediately prior to the relevant substitution or variation), provided that they:

(a) shall include a ranking at least equal to that of the Notes;

(b) shall have at least the same Interest Rate and the same Interest Payment Dates as those applying to the Notes;

(c) shall have the same redemption rights as the Notes;

(d) shall preserve any existing rights under the Notes to any accrued interest which has not been paid but which has not been cancelled in respect of the period from (and including) the Interest Payment Date last preceding the date of the relevant substitution or variation of the Notes;

(e) if the Notes were admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are to be admitted to trading on a Regulated Market (noting that no investor in the relevant Qualifying Securities (or its representative) has the right to accelerate the relevant Qualifying Securities or otherwise request a prepayment or redemption of the relevant Qualifying Securities upon a failure to admit the relevant Qualifying Securities to trading);

(f) are assigned (or maintain) the same or higher credit ratings as were assigned to the Notes (if any) immediately prior to the relevant substitution or variation of the Notes; and

(g) shall comply with the requirements for Additional Tier 1 Capital contained in the Applicable Capital Regulations.

"**Quotation Day**" means, in relation to any period for which an interest rate is to be determined, two (2) Business Days before the first day of that period.

"**Record Date**" means the fifth (5) Business Day prior to:

(a) an Interest Payment Date;

(b) a Redemption Date;

(c) a date on which a payment to the Noteholders is to be made under Clause 15 (*Distribution of proceeds*);

(d) a date of a Noteholders' Meeting; or

(e) another relevant date,

or in each case such other Business Day falling prior to a relevant date if generally applicable on the Swedish bond market.

"**Redemption Date**" means the date (if any) on which the relevant Notes are to be redeemed or repurchased in accordance with Clause 12 (*Redemption and repurchase of the Notes*).

"**Regulated Market**" means Nasdaq Stockholm or any other regulated market (as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU).

"**Reinstatement Date**" shall have the meaning as set forth in Clause 11.2.3.

"**Risk Exposure Amount**" means, at any time, with respect to the Issuer or the Consolidated Situation, as the case may be, the aggregate amount of the risk weighted assets or equivalent of the Issuer or the Consolidated Situation, respectively, calculated in accordance with the Applicable Capital Regulations at such time.

"**Securities Account**" means the account for dematerialised securities (*avstämningsregister*) maintained by the CSD pursuant to the Financial Instruments Accounts Act in which:

(a) an owner of such security is directly registered; or

(b) an owner's holding of securities is registered in the name of a nominee.

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

"**STIBOR**" means:

(a) the Stockholm interbank offered rate (STIBOR) administered by the Base Rate Administrator for Swedish Kronor and for a period equal to the relevant Interest Period, as displayed on page STIBOR= of the Refinitiv screen (or through such other system or on such other page as replaces the said system or page) as of or around 11.00 a.m. on the Quotation Day;

(b) if no rate as described in paragraph (a) above is available for the relevant Interest Period, the rate determined by the Issuing Agent by linear interpolation between the two closest rates for STIBOR fixing (rounded upwards to four decimal places), as displayed on page STIBOR= of the Refinitiv screen (or any replacement thereof) as of or around 11.00 a.m. on the Quotation Day for Swedish Kronor;

(c) if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period, the arithmetic mean of the Stockholm interbank offered rates (rounded upwards to four decimal places) as supplied to the Issuing Agent at its request quoted by leading banks in the Stockholm interbank market reasonably selected by the Issuing Agent for deposits of SEK 100,000,000 for the relevant period; or

(d) if no rate as described in paragraph (a) or (b) above is available for the relevant Interest Period and no quotation is available pursuant to paragraph (c) above, the interest rate which according to the reasonable assessment of the Issuing Agent best reflects the interest rate for deposits in Swedish Kronor offered in the Stockholm interbank market for the relevant period.

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

"**Successor Base Rate**" means the rate that an Independent Adviser or the Issuer determines is a successor to or the replacement of the applicable Base Rate and which is formally recommended by a Relevant Nominating Body.

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

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

"**Tax Event**" means as a result of any change in, or amendment to, the laws or regulations of Sweden, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, such that the Issuer is, or becomes, subject to a significant amount of additional taxes, duties or other governmental charges or civil liabilities with respect to the Notes, provided that the Issuer satisfies the Swedish FSA that such change in tax treatment of the Notes is material and was not reasonably foreseeable as at the Issue Date.

"**Tier 2 Capital**" means tier 2 capital (*supplementärkapital*) as defined in the Applicable Capital Regulations.

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

"**Trigger Event**" means if, at any time, the CET1 Ratio of:

(a) the Issuer, as calculated in accordance with the Applicable Capital Regulations, is less than 5.125 per cent.; or

(b) the Consolidated Situation, as calculated in accordance with the Applicable Capital Regulations, is less than 7.00 per cent.,

in each case as determined by the Issuer and/or the Swedish FSA (or any agent appointed for such purpose by the Swedish FSA).

"**Write Down Amount**" has the meaning as set forth in Clause 11.1.5.

"**Write Down Date**" has the meaning as set forth in Clause 11.1.2.

"**Written Down Additional Tier 1 Instrument**" means an instrument (other than the Notes) qualifying as Additional Tier 1 Capital of Issuer and/or the Consolidated Situation that, immediately prior to any reinstatement of the Notes, has a nominal amount which is less than its initial nominal amount due to a write down and that has terms permitting a principal write up to occur on a basis similar to that set out in Clause 11.2 (*Reinstatement of the Notes*) in the circumstances existing on the relevant Reinstatement Date.

"**Written Procedure**" means the written or electronic procedure for decision making among the Noteholders in accordance with Clause 16.1 (*Request for a decision*), Clause 16.3 (*Instigation of Written Procedure*) and Clause 16.4 (*Majority, quorum and other provisions*).

1.2 Construction

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

(a) any agreement or instrument is a reference to that agreement or instrument as supplemented, amended, novated, extended, restated or replaced from time to time;

(b) a "**regulation**" includes any law, regulation, rule or official directive (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency or department;

(c) a provision of regulation is a reference to that provision as amended or re-enacted; and

(d) a time of day is a reference to Stockholm time.

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

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

1.2.4 The selling and distribution restrictions and the privacy notice and any other information contained in this document before the table of contents section do not form part of these Terms and Conditions and may be updated without the consent of the Noteholders and the Agent (save for the privacy statement insofar it relates to the Agent).

2. THE NOTES

2.1 The Notes are denominated in Swedish Kronor and each Note is constituted by these Terms and Conditions. The Issuer undertakes to make payments in relation to the Notes and to comply with these Terms and Conditions, subject to and in accordance with these Terms and Conditions.

2.2 By subscribing for Notes, each initial Noteholder agrees that the Notes shall benefit from and be subject to the Finance Documents and by acquiring Notes, each subsequent Noteholder confirms such agreement.

2.3 The initial nominal amount of each Note is SEK 1,250,000 (the "**Nominal Amount**"). The Total Nominal Amount of the Notes is SEK 700,000,000. The Nominal Amount, and the Total Nominal Amount, may, be subject to a write-down, and subsequent reinstatement, in each case on a *pro rata* basis, in accordance with Clause 11 (*Loss absorption and reinstatement*), and "Nominal Amount" shall be construed accordingly.

2.4 Each Note is issued on a fully paid basis at an issue price of 100.00 per cent. of the Nominal Amount.

2.5 The ISIN for the Notes is SE0020181667.

2.6 The Issuer reserves the right to issue further notes, including, subordinated notes, and other obligations in the future, which may rank senior to or *pari passu* with the Notes.

2.7 The Notes are freely transferable but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable, under local regulation to which a Noteholder may be subject. Each Noteholder must ensure compliance with such restrictions at its own cost and expense.

2.8 No action is being taken in any jurisdiction that would or is intended to permit a public offering of the Notes or the possession, circulation or distribution of any document or other material relating to the Issuer or the Notes in any jurisdiction, where action for that purpose is required. Each Noteholder must inform itself about, and observe, any applicable restrictions to the transfer of material relating to the Issuer or the Notes.

3. STATUS OF THE NOTES

3.1 The Notes on issue are intended to constitute Additional Tier 1 Capital of the Issuer and the Consolidated Situation. The Notes will constitute direct, unsecured and subordinated debt liabilities of the Issuer, and the Notes, and all payments in respect of, or arising from (including any damages awarded for breach of any obligations under) the Notes, shall at all times rank:

(a) *pari passu* without any preference among themselves;

(b) *pari passu* with

(i) any liabilities or capital instruments of the Issuer which constitute Additional Tier 1 Capital; and

(ii) any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, equally with the Notes,

in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer;

(c) senior to the claims of holders of all classes of the Issuer's shares in their capacity as such holders and any other liabilities or capital instruments of the Issuer that rank, or are expressed to rank, junior to the Notes, in each case as regards the right to receive periodic payments (to the extent any such periodic payment has not been cancelled) on a liquidation or bankruptcy of the Issuer and the right to receive repayment of capital on a liquidation or bankruptcy of the Issuer; and

(d) junior to any present and future claims of:

(i) depositors of the Issuer;

(ii) any other unsubordinated creditors of the Issuer;

(iii) any non-preferred creditors falling within the scope of 18 §, first paragraph of the Swedish Rights of Priority Act (*förmånsrättslag (1970:979*)); and

(iv) except as expressly stated in paragraph (a) or (b) above, any subordinated creditors, including for the avoidance of doubt holders of any instruments which as at their respective issue dates constitute or constituted Tier 2 Capital.

3.2 A Noteholder or the Agent may only declare the Notes (and any accrued interest) due and payable in the event of the liquidation (*likvidation*) or bankruptcy (*konkurs*) of the Issuer as set out in Clause 14 (*Bankruptcy or liquidation*).

3.3 No Noteholder who is indebted to the Issuer shall be entitled to exercise any right of set-off or counterclaim against moneys owed by the Issuer in respect of Notes held by such Noteholder. Notwithstanding the preceding sentence, if any of the amounts owing to any Noteholder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, such Noteholder shall, subject to applicable regulations, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its liquidation or bankruptcy, the liquidator or, as appropriate, other insolvency practitioner appointed to the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount as escrow funds (*redovisningsmedel*) on a separate account on behalf of the Issuer (or the liquidator or, as appropriate, other insolvency practitioner appointed to the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

4. USE OF PROCEEDS

The Issuer shall use the proceeds from the issue of the Notes for general corporate purposes of the Group.

5. CONDITIONS FOR DISBURSEMENT

5.1 Prior to the issuance of the Notes, the Issuer shall provide the following to the Agent:

(a) the Finance Documents and the Agency Agreement duly executed by the parties thereto;

(b) an extract of the resolution from the board of directors of the Issuer approving the issue of the Notes, the terms of the Finance Documents and the Agency Agreement, and resolving to enter into such documents and any other documents (if any) necessary in connection therewith;

(c) the articles of association and an up-to date certificate of registration of the Issuer;

(d) evidence that the person(s) who has/have signed the Finance Documents, the Agency Agreement and any other documents in connection therewith on behalf of parties thereto is/are duly authorised to do so; and

(e) such other documents and information as is agreed between the Agent and the Issuer.

5.2 The Agent may assume that the documentation delivered to it pursuant to Clause 5.1 is accurate, correct and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation.

5.3 The Agent shall confirm to the Issuing Agent when the conditions in Clause 5.1 have been satisfied.

6. NOTES IN BOOK-ENTRY FORM

6.1 The Notes will be registered for the Noteholders on their respective Securities Accounts and no physical notes will be issued. Accordingly, the Notes will be registered in accordance with the Financial Instruments Accounts Act. Registration requests relating to the Notes shall be directed to an Account Operator. The Debt Register shall constitute conclusive evidence of the persons who are Noteholders and their holdings of Notes.

6.2 Those who according to assignment, Security, the provisions of the Swedish Children and Parents Code (*föräldrabalk (1949:381)*), conditions of will or deed of gift or otherwise have acquired a right to receive payments in respect of a Note shall register their entitlements to receive payment in accordance with the Financial Instruments Accounts Act.

6.3 The Issuer and the Agent shall at all times be entitled to obtain information from the Debt Register. At the request of the Agent, the Issuer shall promptly obtain such information and provide it to the Agent. For the purpose of carrying out any administrative procedure that arises out of the Finance Documents, the Issuing Agent shall be entitled to obtain information from the Debt Register.

6.4 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 Noteholders.

6.5 The Issuer and the Agent may use the information referred to in Clause 6.3 only for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and the Agency Agreement and shall not disclose such information to any Noteholder or third party unless necessary for such purposes.

7. RIGHT TO ACT ON BEHALF OF A NOTEHOLDER

7.1 If any person other than a Noteholder (including the owner of a Note, if such person is not the Noteholder) wishes to exercise any rights under the Finance Documents, it must obtain a power of attorney or other authorisation from the Noteholder or a successive, coherent chain of powers of attorney or authorisations starting with the Noteholder and authorising such person.

7.2 A Noteholder may issue one or several powers of attorney to third parties to represent it in relation to some or all of the Notes held by it. Any such representative may act independently under the Finance Documents in relation to the Notes for which such representative is entitled to represent the Noteholder and may further delegate its right to represent the Noteholder by way of a further power of attorney (unless the power of attorney from such Noteholder states otherwise).

7.3 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 Clause 7.2 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.

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

8. ADMISSION TO TRADING

8.1 The Issuer shall use reasonable efforts to ensure that the Notes are admitted to trading on Nasdaq Stockholm within thirty (30) days from the Issue Date or, if such admission to trading is not possible to obtain, admitted to trading on another Regulated Market.

8.2 The Issuer shall, following the admission to trading, use reasonable efforts to maintain the admission to trading as long as any Notes are outstanding, however not longer than up to and including the last day of which the admission to trading can reasonably, pursuant to the applicable regulations of the Regulated Market and the CSD Regulations, subsist.

8.3 For the avoidance of doubt, neither a Noteholder nor the Agent has the right to accelerate the Notes or otherwise request a prepayment or redemption of the Notes if a failure to admit the Notes to trading or maintain admission to trading of the Notes in accordance with Clause 8.1 or 8.2 occurs.

9. PAYMENTS IN RESPECT OF THE NOTES

9.1 Any payment or repayment under the Finance Documents, or any amount due in respect of a repurchase of any Notes, shall be made to such person who is registered as a Noteholder on the Record Date prior to an Interest Payment Date or other relevant payment date, or to such other person who is registered with the CSD on such Record Date as being entitled to receive the relevant payment, repayment or repurchase amount.

9.2 Provided that a Noteholder has registered an income account (*avkastningskonto*) for the relevant Securities Account on the applicable Record Date, the CSD shall procure that principal, interest and other payments under the Notes are deposited to such income account on the relevant payment date. If an income account has not been registered on the Record Date for the payment, no payment will be effected by the CSD to such Noteholder. The outstanding amount will instead be held by the Issuer until the person that was registered as a Noteholder on the relevant Record Date has made a valid request for such amount. Should the CSD, due to a delay on behalf of the Issuer or some other obstacle, not be able to effect payments as aforesaid, the Issuer shall procure that such amounts are paid to the persons who are registered as Noteholders on the relevant Record Date as soon as possible after such obstacle has been removed.

9.3 If, due to any obstacle for the CSD, the Issuer cannot make a payment or repayment, such payment or repayment may be postponed until the obstacle has been removed. For the avoidance of doubt, such postponement shall in no event constitute an event of default.

9.4 If payment or repayment is made in accordance with this Clause 9 (*Payments in respect of the Notes*), 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 has actual knowledge of the fact that the payment was made to the wrong person).

9.5 The Issuer is not liable to gross-up any payments under the Finance Documents by virtue of any withholding tax (including but not limited to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto), public levy or the similar.

10. INTEREST AND INTEREST CANCELLATION

10.1 Interest

10.1.1 Subject to Clause 10.2 and Clause 11, each Note carries Interest at the Interest Rate applied to the Nominal Amount from (but excluding) the Issue Date up to (and including) the relevant Redemption Date.

10.1.2 Interest accrues during an Interest Period. Payment of Interest in respect of the Notes shall be made to the Noteholders on each Interest Payment Date for the preceding Interest Period.

10.1.3 Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis).

10.2 Interest cancellation

10.2.1 Any payment of Interest in respect of the Notes shall be payable only out of the Issuer's Distributable Items and:

(a) may be cancelled, at any time, in whole or in part, at the option of the Issuer in its sole discretion and notwithstanding that it has Distributable Items or that it may make any distributions pursuant to the Applicable Capital Regulations; or

(b) will be mandatorily cancelled if and to the extent so required by the Applicable Capital Regulations, including the applicable criteria for Additional Tier 1 Capital instruments.

10.2.2 The Issuer shall give notice to the Noteholders in accordance with Clause 24 (*Notices*) of any such cancellation of a payment of Interest, which notice might be given after the date on which the relevant payment of Interest is scheduled to be made. Notwithstanding the foregoing, failure to give such notice shall not prejudice the right of the Issuer not to pay Interest as described above and shall not constitute an event of default for any purpose.

10.2.3 Following any cancellation of Interest as described above, the right of the Noteholders to receive accrued Interest in respect of any such Interest Period will terminate and the Issuer will have no further obligation to pay such Interest or to pay interest thereon, whether or not payments of Interest in respect of subsequent Interest Periods are made, and such unpaid Interest will not be deemed to have "accrued" or been earned for any purpose.

10.2.4 Failure to pay such interest (or the cancelled part thereof) in accordance with this Clause 10 shall not constitute an event of default or the occurrence of any event related to the insolvency of the Issuer or entitle the Noteholders to take any action to cause the Issuer to be declared bankrupt or for the liquidation, winding-up or dissolution of the Issuer.

10.3 Calculation of Interest in case of write-down or reinstatement

10.3.1 Subject to Clause 10.2 (*Interest cancellation*), in the event that a write-down of the Notes occurs pursuant to Clause 11.1 (*Loss absorption upon a Trigger Event*) during an Interest Period, Interest will continue to accrue on the Nominal Amount (as adjusted as of the relevant Write Down Date).

10.3.2 Subject to Clause 10.2 (*Interest cancellation*), in the event that a reinstatement of the Notes occurs pursuant to Clause 11.2 (*Reinstatement of the Notes*), Interest shall begin to accrue on the reinstated Nominal Amount with effect from (and including) the relevant Reinstatement Date.

10.3.3 In connection with a write-down or write-up pursuant to Clause 11 (*Loss absorption and reinstatement*), the Issuer shall inform the CSD of the adjusted basis for calculation that shall be applied on the next Interest Payment Date, in order for the Noteholders to receive an amount of Interest equivalent to the Interest Rate on the Nominal Amount so written down or written up (as applicable).

10.4 No penalty interest

Under no circumstances shall any penalty interest (*dröjsmålsränta*) be payable by the Issuer in respect of the Notes.

11. LOSS ABSORPTION AND REINSTATEMENT

11.1 Loss absorption upon a Trigger Event

11.1.1 If at any time a Trigger Event occurs, the Issuer shall immediately notify the Swedish FSA and the Issuer shall immediately notify the Noteholders and the Agent in accordance with Clause 24 (*Notices*) and the Total Nominal Amount and the Issuer's payment obligation under the Notes shall be written down in accordance with this Clause 11.1 (*Loss absorption upon a Trigger Event*).

11.1.2 A write-down shall take place without delay on a date selected by the Issuer in consultation with the Swedish FSA (the "**Write Down Date**") but no later than one month following the occurrence of the relevant Trigger Event. The Swedish FSA may require that the period of one month referred to above is reduced in cases where it assesses that sufficient certainty on the required amount of the write-down is established or in cases where it assesses that an immediate write-down is needed. For the purposes of determining whether a Trigger Event has occurred, the CET1 Ratios may be calculated at any time based on information (whether or not published) available to management of the Issuer, including information internally reported within the Issuer pursuant to its procedures for monitoring the CET1 Ratios. The Issuer intends to calculate and publish the CET1 Ratios on at least a semi-annual basis. The determination as to whether a Trigger Event has occurred shall be made by the Issuer and the Swedish FSA or any agent appointed for such purpose by the Swedish FSA. Any such determination shall be binding on the Issuer and the Noteholders.

11.1.3 A write-down shall be made as a reduction of the Total Nominal Amount and such write-down shall be considered to be an unconditional capital contribution (*ovillkorat kapitaltillskott*) by the Noteholders and shall be made in consultation with the Swedish FSA and in accordance with the CSD Regulations.

11.1.4 The aggregate reduction of the Total Nominal Amount of the Notes outstanding on the Write Down Date will, subject as provided below, be equal to the lower of:

(a) the amount necessary to generate sufficient CET1 Capital that would restore the CET1 Ratio of the Issuer to at least 5.125 per cent. and the CET1 Ratio of the Consolidated Situation to at least 7.00 per cent. at the point of such reduction, after taking into account (subject as provided below) the *pro rata* write-down and/or conversion of the prevailing nominal amount of all Loss Absorbing Instruments (if any) to be written down and/or converted concurrently (or substantially concurrently) with the Notes, provided that, with respect to each Loss Absorbing Instrument (if any), such *pro rata* write-down and/or conversion shall only be taken into account to the extent required to restore the CET1 Ratios contemplated above to the lower of (i) such Loss Absorbing Instrument's trigger level and (ii) the trigger level in respect of which the relevant Trigger Event under the Notes has occurred and, in each case, in accordance with the terms of the relevant Loss Absorbing Instruments and the Applicable Capital Regulations; and

(b) the amount that would result in the Nominal Amount of a Note being reduced to SEK 1.00.

11.1.5 The aggregate reduction determined in accordance with Clause 11.1.4 shall be applied to all of the Notes *pro rata* on the basis of their Nominal Amount immediately prior to the write-down and references herein to "**Write Down Amount**" shall mean, in respect of each Note, the amount by which the Nominal Amount of such Note is to be written down accordingly. A Trigger Event may occur on more than one occasion (and each Note may be written down on more than one occasion).

11.1.6 To the extent the write down and/or conversion of any Loss Absorbing Instruments for the purpose of Clause 11.1.4 is not possible for any reason, this shall not in any way prevent any write-down of the Notes. Instead, in such circumstances, the Notes will be written down and the Write Down Amount determined as provided above but without including for the purpose of Clause 11.1.4 any CET1 Capital in respect of the write down or conversion of such Loss Absorbing Instruments, to the extent it is not possible for them to be written down and/or converted.

11.1.7 The Issuer shall set out its determination of the Write Down Amount per Note in the relevant notice referred to in Clause 11.1.8 below together with the Nominal Amount following the relevant write-down. However, if the Write Down Amount has not been determined when such notice is given, the Issuer shall, as soon as reasonably practicable following such determination, notify the Write Down Amount to the Noteholders and the Agent in accordance with Clause 24 (*Notices*) and procure that the Swedish FSA is notified. The Issuer's determination of the relevant Write Down Amount shall be irrevocable and binding on all parties.

11.1.8 If the Notes are to be written down, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 24 (*Notices*). Notwithstanding the foregoing, failure to give such notice shall not prejudice, affect the effectiveness of, or otherwise invalidate, any write-down of the Notes.

11.1.9 Any reduction of the Nominal Amount of a Note pursuant to this Clause 11.1 (*Loss absorption upon a Trigger Event*) shall not constitute an event of default by the Issuer for any purpose, and the Noteholders shall have no right to claim for amounts written down, whether in liquidation or bankruptcy of the Issuer or otherwise, save to the extent (if any) such amounts are reinstated in accordance with Clause 11.2 (*Reinstatement of the Notes*).

11.2 Reinstatement of the Notes

11.2.1 Following a write-down of the Total Nominal Amount in accordance with Clause 11.1 (*Loss absorption upon a Trigger Event*), the Issuer may, at its absolute discretion but subject to obtaining relevant approval from its shareholders (if required) reinstate any portion of the principal of the Notes, subject to compliance with any maximum distribution limits set out in the Applicable Capital Regulations and any other applicable regulations.

11.2.2 Unless write up of the principal of the Notes is permitted and possible in accordance with the CSD Regulations, reinstatement shall be made by way of issuing new notes that qualify as Additional Tier 1 Capital of the Issuer to the relevant Noteholders. Any such new note issuance shall specify the relevant details of the manner in which such new note issuance shall take effect and where the Noteholders can obtain copies of the new terms and conditions of the new notes. Such new notes shall be issued without any cost or charge to the Noteholders and shall be made in accordance with the CSD Regulations.

11.2.3 A reinstatement in accordance with this Clause 11.2 (*Reinstatement of the Notes*) shall be made taking into account any preceding or imminent reinstatement of corresponding or similar loss absorbing instruments (if any) issued by the Issuer or any other member of the Consolidated Situation, including but not limited to Additional Tier 1 Capital instruments (other than the Notes).

11.2.4 For the avoidance of doubt, at no time may the reinstated Total Nominal Amount exceed the original Total Nominal Amount of the Notes (if issued in full), as at the Issue Date, being SEK 700,000,000.

11.2.5 For the avoidance of doubt, any reinstatement of any proportion of the principal of the Notes (either by way of write up of the principal of the Notes or by way of issuing new notes that qualify as Additional Tier 1 Capital of the Issuer) shall be made on a *pro rata* basis and without any preference among the Notes and on a *pro rata* basis with the reinstatement of all Written Down Additional Tier 1 Instruments (if any). Any failure by the Issuer to reinstate the Notes on a *pro rata* basis with the write up of all Written Down Additional Tier 1 Instruments (if any) however will not affect the effectiveness, or otherwise invalidate, any reinstatement of the Notes and/or reinstatement of the Written Down Additional Tier 1 Instruments or give Noteholders any rights as a result of such failure.

11.2.6 If the Issuer decides to reinstate any proportion of the principal of the Notes, the Issuer shall notify the Noteholders and the Agent in accordance with Clause 24 (*Notices*) prior to such reinstatements becoming effective and specifying the date on which the reinstatements will become effective (the "**Reinstatement Date**"). Such notice shall specify the Record Date and any technical or

administrative actions that a Noteholder needs to undertake to receive its portion of the reinstatement. A reinstatement of the Notes shall take place on a Business Day as selected by the Issuer, however, falling no earlier than twenty (20) Business Days following the effective date of the reinstatement notice.

12. REDEMPTION AND REPURCHASE OF THE NOTES

12.1 No scheduled redemption

12.1.1 The Notes are perpetual and have no fixed date for redemption. The Issuer may only redeem the Notes in the circumstances described in this Clause 12 (*Redemption and repurchase of the Notes*).

12.1.2 The Notes are not redeemable at the option of the Noteholders at any time and the Noteholders shall have no right to accelerate the Notes or other remedies or sanctions against the Issuer for any breach of these Terms and Conditions by the Issuer, other than as set out in Clause 14 (*Bankruptcy or liquidation*).

12.2 Early redemption at the option of the Issuer

Subject to Clause 12.5 (*Permission from the Swedish FSA*) and giving notice in accordance with Clause 12.7 (*Notice of early redemption, substitution or variation*), the Issuer may redeem all (but not some only) outstanding Notes at:

(a) any Business Day falling within the Initial Call Period; or

(b) any Interest Payment Date falling after the Initial Call Period.

12.3 Purchase of Notes by the Issuer and related companies

Subject to applicable regulations and to Clause 12.5 (*Permission from the Swedish FSA*), the Issuer or any other Group Company, or other company forming part of the Consolidated Situation, may at any time on or following the First Call Date and at any price purchase Notes on the market or in any other way and at any price. Notes held by such company may at its discretion be retained, sold or cancelled.

12.4 Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event

If a Capital Event or Tax Event occurs, the Issuer may, at its option, but subject to Clause 12.5 (*Permission from the Swedish FSA*) and giving notice in accordance with Clause 12.7 (*Notice of early redemption, substitution or variation*):

(a) redeem all (but not some only) outstanding Notes on any Interest Payment Date; or

(b) substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with this Clause 12.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) in relation to the Qualifying Securities so substituted or varied.

12.5 Permission from the Swedish FSA

The Issuer, or any other company forming part of the Consolidated Situation, may not redeem, purchase, substitute or vary as contemplated by this Clause 12 (*Redemption and repurchase of the Notes*), any Notes without the prior written permission of the Swedish FSA and in accordance with the Applicable Capital Regulations (including any pre-conditions set out therein at the relevant time). Any refusal by the Swedish FSA to give its permission shall not constitute an event of default for any purpose.

12.6 Early redemption amount

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

12.7 Notice of early redemption, substitution or variation

12.7.1 Any redemption, substitution or variation in accordance with Clauses 12.2 (*Early redemption at the option of the Issuer*) and 12.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) shall be made by the Issuer having given:

(a) not less than fifteen (15) Business Days' notice to the Noteholders; and

(b) not less than five (5) Business Days' notice (or such lesser period as may be agreed between the Issuer and the Agent) before the giving of the notice referred to in paragraph (a) above to the Agent.

in each case notice shall be given in accordance with Clause 24 (*Notices*). Any such notice is irrevocable and, upon expiry of the notice period, the Issuer is bound to redeem the Notes.

12.7.2 Notwithstanding Clause 12.7.1, if a Trigger Event occurs following a notice being given in accordance with Clause 12.7.1 but prior to the relevant redemption of the Notes, such notice shall be of no force and effect and Clause 11.1 (*Loss absorption upon a Trigger Event*) shall apply, and, for the avoidance of doubt, no redemption shall occur.

13. INFORMATION TO NOTEHOLDERS

13.1 Information from the Issuer

The Issuer shall make the following information available to the Noteholders and the Agent by way of publication on the website of the Issuer:

(a) as soon as the same become available, but in any event within four (4) months after the end of each financial year, audited consolidated financial statements of the Group for that financial year prepared in accordance with the Accounting Principles; and

(b) as soon as the same become available, but in any event within two (2) months after the end of each quarter of its financial year, consolidated financial statements or the year-end report (*bokslutskommuniké*) (as applicable) of the Group for such period prepared in accordance with the Accounting Principles.

13.2 Information from the Agent

Subject to the restrictions of any agreement regarding the non-disclosure of information received from the Issuer, the Agent is entitled to disclose to the Noteholders any event or circumstance directly or indirectly relating to the Issuer or the Notes. Notwithstanding the foregoing, the Agent

may if it considers it to be beneficial to the interests of the Noteholders delay disclosure or refrain from disclosing certain information.

13.3 Information among the Noteholders

Upon a reasonable request by a Noteholder, the Agent shall promptly distribute to the Noteholders any information from such Noteholder which relates to the Notes. The Agent may require that the requesting Noteholder or the Issuer 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.

13.4 Publication of Finance Documents

The latest version of these Terms and Conditions (including any document amending these Terms and Conditions) shall be available on the websites of the Issuer and the Agent.

14. BANKRUPTCY OR LIQUIDATION

14.1 The Noteholders have no right to accelerate the Notes or otherwise request prepayment or redemption of the principal amount of the Notes. If, and, notwithstanding anything to the contrary in these Terms and Conditions, only if, the Issuer is declared bankrupt or put into liquidation, a Noteholder may prove or claim in such bankruptcy or liquidation for payment of the Nominal Amount of Notes held by such Noteholder, together with Interest accrued to (but excluding) the date of commencement of the relevant bankruptcy or liquidation proceedings to the extent the Interest has not been cancelled by the Issuer.

14.2 If an event where the Issuer is declared bankrupt or put into liquidation as set out in Clause 14.1 occurs, the Agent is, following the instructions of the Noteholders, authorised to:

(a) by notice to the Issuer, declare all, but not only some, of the outstanding Notes due for payment together with any other amounts payable under the Finance Documents (except any Interest cancelled in accordance with Clause 10.2 (*Interest cancellation*)), immediately or at such later date as the Agent determines; and

(b) exercise any or all of its rights, remedies, powers and discretions under the Finance Documents.

14.3 In the event of an acceleration of the Notes upon the Issuer being declared bankrupt or put into liquidation, the Issuer shall redeem all Notes at an amount equal to 100 per cent. of the Nominal Amount together with accrued and unpaid interest. However, no payment will be made to the Noteholders before all amounts due, but unpaid, to all other creditors of the Issuer ranking ahead of the Noteholders as described in Clause 3 (*Status of the Notes*) have been repaid by the Issuer, as ascertained by the judicial liquidator (*likvidator*) or bankruptcy administrator (*konkursförvaltare*).

14.4 In the event of bankruptcy, liquidation or resolution of the Issuer, no Noteholder shall be entitled to exercise any right of set-off or counterclaim against monies owned by the Issuer in respect of the Notes held by such Noteholder.

15. DISTRIBUTION OF PROCEEDS

15.1 In the event of the liquidation or bankruptcy of the Issuer, all payments relating to the Notes and the Finance Documents 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 in accordance with the Agency Agreement and the Terms and Conditions (other than any indemnity given for liability against the Noteholders);

(ii) other costs and expenses relating to the protection or the Noteholders' rights as may have been incurred by the Agent;

(iii) any costs incurred by the Agent for external experts that have not been reimbursed by the Issuer in accordance with Clause 19.2.8; and

(iv) any costs and expenses incurred by the Agent in relation to a Noteholders' Meeting or a Written Procedure that have not been reimbursed by the Issuer in accordance with Clause 16.4.11;

(b) *secondly*, in or towards payment *pro rata* of accrued but unpaid Interest under the Notes not cancelled in accordance with Clause 10.2 (*Interest cancellation*) (Interest due on an earlier Interest Payment Date to be paid before any Interest due on a later Interest Payment Date);

(c) *thirdly*, in or towards payment *pro rata* of any unpaid principal under the Notes; and

(d) *fourthly*, in or towards payment *pro rata* of any other costs or outstanding amounts unpaid under the Finance Documents.

15.2 Funds that the Agent receives (directly or indirectly) following an application of Clause 15.1 in connection with the enforcement of the Notes constitute escrow funds (*redovisningsmedel*) and must be held on a separate bank account on behalf of the Noteholders and the other interested parties. The Agent shall arrange for payments of such funds in accordance with this Clause 15 (*Distribution of proceeds*) as soon as reasonably practicable.

15.3 If the Issuer or the Agent shall make any payment under this Clause 15 (*Distribution of proceeds*), the Issuer or the Agent, as applicable, shall notify the Noteholders of any such payment at least fifteen (15) Business Days before the payment is made in accordance with Clause 24 (*Notices*). The notice from the Issuer shall specify the Record Date, the payment date and the amount to be paid.

16. DECISIONS BY NOTEHOLDERS

16.1 Request for a decision

16.1.1 A request by the Agent for a decision by the Noteholders on a matter relating to the Finance Documents shall (at the option of the Agent) be dealt with at a Noteholders' Meeting or by way of a Written Procedure.

16.1.2 Any request from the Issuer or a Noteholder (or Noteholders) representing at least ten (10) per cent. of the Adjusted Total Nominal Amount (such request shall, if made by several Noteholders, be made by them jointly) for a decision by the Noteholders on a matter relating to the Finance Documents shall be directed to the Agent and dealt with at a Noteholders' Meeting or by way a Written Procedure, as determined by the Agent. The person requesting the decision may suggest the form for decision making, but if it is in the Agent's opinion more appropriate that a matter is dealt with at a Noteholders' Meeting than by way of a Written Procedure, it shall be dealt with at a Noteholders' Meeting.

16.1.3 The Agent may refrain from convening a Noteholders' Meeting or instigating a Written Procedure if:

(a) the suggested decision must be approved by any person in addition to the Noteholders and such person has informed the Agent that an approval will not be given; or

(b) 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 Noteholders' 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 Noteholders' Meeting or instigate a Written Procedure in accordance with these Terms and Conditions, without Clause 16.1.3 being applicable, the person requesting the decision by Noteholders may request the Issuer to convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. Should the Issuer in such situation not convene a Noteholders' Meeting, the person requesting the decision by Noteholders may convene such Noteholders' Meeting or instigate such Written Procedure, as the case may be, instead. The Issuer or the Issuing Agent shall then upon request provide the convening Noteholder with such information available in the Debt Register as may be necessary in order to convene and hold the Noteholders' Meeting or instigate and carry out the Written Procedure, as the case may be. The Issuer or Noteholder(s), as applicable, shall supply to the Agent a copy of the dispatched notice or communication.

16.1.6 Should the Issuer want to replace the Agent, it may (a) convene a Noteholders' Meeting in accordance with Clause 16.2 (*Convening of Noteholders' Meeting*) or (b) instigate a Written Procedure by sending communication in accordance with Clause 16.3 (*Instigation of Written Procedure*), in either case with a copy to the Agent. After a request from the Noteholders pursuant to Clause 19.4.3, the Issuer shall no later than ten (10) Business Days after receipt of such request (or such later date as may be necessary for technical or administrative reasons) convene a Noteholders' Meeting in accordance with Clause 16.2. The Issuer shall inform the Agent before a notice for a Noteholders' Meeting or communication relating to a Written Procedure where the Agent is proposed to be replaced is sent and shall, on the request of the Agent, append information from the Agent together with the a notice or the communication.

16.1.7 Should the Issuer or any Noteholder(s) convene a Noteholders' Meeting or instigate a Written Procedure pursuant to Clause 16.1.5 or 16.1.6, then the Agent shall no later than five (5) Business Days' prior to dispatch of such notice or communication be provided with a draft thereof. The Agent may further append information from it together with the notice or communication, provided that the Agent supplies such information to the Issuer or the Noteholder(s), as the case may be, no later than one (1) Business Day prior to the dispatch of such notice or communication.

16.2 Convening of Noteholders' Meeting

16.2.1 The Agent shall convene a Noteholders' Meeting as soon as practicable and in any event no later than five (5) Business Days after receipt of a valid request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a notice thereof to each person who is registered as a Noteholder on the Record Date prior to the date on which the notice is sent.

16.2.2 The notice pursuant to Clause 16.2.1 shall include:

(a) time for the meeting;

(b) place for the meeting;

(c) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;

(d) a form of power of attorney;

(e) the agenda for the meeting;

(f) any applicable conditions and conditions precedent;

(g) the reasons for, and contents of, each proposal;

(h) if the proposal concerns an amendment to any Finance Document, the details of such proposed amendment;

(i) if a notification by the Noteholders is required in order to attend the Noteholders' Meeting, information regarding such requirement; and

(j) information on where additional information (if any) will be published.

16.2.3 The Noteholders' Meeting shall be held no earlier than ten (10) Business Days and no later than thirty (30) Business Days after the effective date of the notice.

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

16.3 Instigation of Written Procedure

16.3.1 The Agent shall instigate a Written Procedure as soon as practicable and in any event no later than five (5) Business Days after receipt of valid a request from the Issuer or the Noteholder(s) (or such later date as may be necessary for technical or administrative reasons) by sending a communication to each such person who is registered as a Noteholder on the Record Date prior to the date on which the communication is sent.

16.3.2 A communication pursuant to Clause 16.3.1 shall include:

(a) a specification of the Record Date on which a person must be registered as a Noteholder in order to be entitled to exercise voting rights;

(b) 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;

(c) the stipulated time period within which the Noteholder must reply to the request (such time period to last at least ten (10) Business Days and not longer than thirty (30) Business Days from the effective date of the communication pursuant to Clause 16.3.1);

(d) any applicable conditions and conditions precedent;

(e) the reasons for, and contents of, each proposal;

(f) if a proposal concerns an amendment to any Finance Document, the details of such proposed amendment;

(g) if the voting is to be made electronically, the instructions for such voting; and

(h) information on where additional information (if any) will be published.

16.3.3 If so elected by the person requesting to Written Procedure and provided that it is also disclosed in the communication pursuant to Clause 16.3.1, when consents from Noteholders representing the requisite majority of the total Adjusted Total Nominal Amount pursuant to Clauses 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.

16.3.4 The Agent may, during the Written Procedure, provide information to the Issuer by way of updates whether or not quorum requirements have been met and about the eligible votes received by the Agent, including the portion consenting or not consenting to the proposal(s) or refraining from voting (as applicable).

16.4 Majority, quorum and other provisions

16.4.1 Only a Noteholder, or a person who has been provided with a power of attorney or other authorisation pursuant to Clause 7 (*Right to act on behalf of a Noteholder*) from a Noteholder:

(a) on the Record Date specified in the notice pursuant to Clause 16.2.2, in respect of a Noteholders' Meeting, or

(b) on the Record Date specified in the communication pursuant to Clause 16.3.2, in respect of a Written Procedure,

may exercise voting rights as a Noteholder at such Noteholders' Meeting or in such Written Procedure, provided that the relevant Notes are included in the Adjusted Total Nominal Amount. Each whole Note entitles to one vote and any fraction of a Note voted for by a person shall be disregarded. Such Business Day specified pursuant to paragraph (a) or (b) above must fall no earlier than one (1) Business Day after the effective date of the communication, as the case may be.

16.4.2 The following matters shall require the consent of Noteholders representing at least sixty-six and two thirds (66⅔) per cent. of the Adjusted Total Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant Clause 16.3.2:

(a) a change to the terms of Clauses 2.1, 3.1, 14.1 or 15.1;

(b) a change to an Interest Rate (other than as a result of an application of Clause 18 (*Replacement of Base Rate*)) or the Nominal Amount;

(c) a mandatory exchange of the Notes for other securities;

(d) a change to the terms dealing with the requirements for Noteholders' consent set out in this Clause 16.4 (*Majority, quorum and other provisions*); and

(e) an early redemption of the Notes, other than as permitted by these Terms and Conditions (which for the avoidance of doubt shall always be subject to Clause 12.5 (*Permission from the Swedish FSA*) above).

16.4.3 Any matter not covered by Clause 16.4.2 shall require the consent of Noteholders representing more than 50 per cent. of the Adjusted Total Nominal Amount for which Noteholders are voting at a Noteholders' Meeting or for which Noteholders reply in a Written Procedure in accordance with the instructions given pursuant to Clause 16.3.2. This includes, but is not limited to, any amendment to, or waiver of, the terms of any Finance Document that does not require a higher majority (other than an amendment permitted pursuant to Clause 17.1(a), 17.1(d) or 17.1(e)).

16.4.4 Quorum at a Noteholders' Meeting or in respect of a Written Procedure only exists if a Noteholder (or Noteholders) representing at least fifty (50) per cent. of the Adjusted Total Nominal Amount in case of a matter pursuant to Clause 16.4.2, and otherwise twenty (20) per cent. of the Adjusted Total Nominal Amount:

(a) if at a Noteholders' Meeting, attend the meeting in person or by other means prescribed by the Agent pursuant to Clause 16.2.4 (or appear through duly authorised representatives); or

(b) if in respect of a Written Procedure, reply to the request.

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

16.4.6 If a quorum does not exist at a Noteholders' Meeting or in respect of a Written Procedure, the Agent or the Issuer shall convene a second Noteholders' Meeting (in accordance with Clause 16.2.1) or initiate a second Written Procedure (in accordance with Clause 16.3.1), as the case may be, provided that the person(s) who initiated the procedure for Noteholders' consent has confirmed that the relevant proposal is not withdrawn. For the purposes of a second Noteholders' Meeting or second Written Procedure pursuant to this Clause 16.4.6, the date of request of the second Noteholders' Meeting pursuant to Clause 16.2.1 or second Written Procedure pursuant to Clause 16.3.1, as the case may be, shall be deemed to be the relevant date when the quorum did not exist. The quorum requirement in Clause 16.4.4 shall not apply to such second Noteholders' Meeting or Written Procedure.

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

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

16.4.9 The Issuer may not, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of owner of Notes (irrespective of whether such person is a Noteholder) for or as inducement to vote under these Terms and Conditions, unless such consideration is offered to all Noteholders that vote in respect of the proposal at the relevant Noteholders' Meeting or in a Written Procedure within the time period stipulated for the consideration to be payable or the time period for replies in the Written Procedure, as the case may be.

16.4.10 A matter decided at a duly convened and held Noteholders' Meeting or by way of Written Procedure is binding on all Noteholders, irrespective of them being present or represented at the Noteholders' Meeting or responding in the Written Procedure or how they voted. The Noteholders that have not adopted or voted for a decision shall not be liable for any damages that this may cause the Issuer or the other Noteholders.

16.4.11 All costs and expenses incurred by the Issuer or the Agent for the purpose of convening a Noteholders' Meeting or for the purpose of carrying out a Written Procedure, including reasonable fees to the Agent, shall be paid by the Issuer.

16.4.12 If a decision is to be taken by the Noteholders on a matter relating to the Finance Documents, the Issuer shall promptly at the request of the Agent provide the Agent with a certificate specifying the number of Notes owned by Group Companies or (to the knowledge of the Issuer) Affiliates as per the Record Date for voting, irrespective of whether such person is a Noteholder. The Agent shall not be responsible for the accuracy of such certificate or otherwise be responsible for determining whether a Note is owned by a Group Company or an Affiliate.

16.4.13 Information about decisions taken at a Noteholders' Meeting or by way of a Written Procedure shall promptly be 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 Noteholders' Meeting or Written Procedure shall at the request of a Noteholder be sent to it by the Issuer or the Agent, as applicable.

17. AMENDMENTS AND WAIVERS

17.1 The Issuer and the Agent (acting on behalf of the Noteholders) may, subject to the prior written permission of the Swedish FSA (to the extent required pursuant to Applicable Capital Regulations),

agree to amend the Finance Documents or waive any provision in a Finance Document, provided that the Agent is satisfied that such amendment or waiver:

(a) is not detrimental to the interest of the Noteholders as a group;

(b) is made solely for the purpose of rectifying obvious errors and mistakes;

(c) is required by the Swedish FSA for the Notes to satisfy the requirements for Additional Tier 1 Capital under the Applicable Capital Regulations as applied by the Swedish FSA from time to time:

(d) is required by any applicable regulation, a court ruling or a decision by a relevant authority, including but not limited to, to facilitate any measure by the relevant regulator pursuant to the Swedish Resolution Act (*lagen (2015:1016) om resolution*);

(e) is made pursuant to Clause 18 (*Replacement of Base Rate*);

(f) is necessary for the purpose of having the Notes admitted to trading on the corporate bond list of Nasdaq Stockholm (or any other Regulated Market, as applicable) provided that such amendment or waiver does not materially adversely affect the rights of the Noteholders; or

(g) has been duly approved by the Noteholders in accordance with Clause 16 (*Decisions by Noteholders*).

17.2 The Issuer may substitute or vary the terms of all (but not some only) of the outstanding Notes without any requirement for the consent or approval of the Noteholders, so that they become or remain, as applicable, Qualifying Securities, provided that such substitution or variation does not itself give rise to any right of the Issuer to redeem, substitute or vary the terms of the Notes in accordance with Clause 12.4 (*Early redemption, substitution or variation upon the occurrence of a Capital Event or Tax Event*) in relation to the Qualifying Securities so substituted or varied.

17.3 The Agent shall promptly notify the Noteholders 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 the Finance Documents are published in the manner stipulated in Clause 13.4 (*Publication of Finance Documents*). The Issuer shall ensure that any amendments to the Finance Documents are duly registered with the CSD and each other relevant organisation or authority.

17.4 An amendment to the Finance Documents shall take effect on the date determined by the Noteholders Meeting, in the Written Procedure or by the Agent, as the case may be.

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 Noteholders in accordance with the provisions of this Clause 18 shall at all times be made by such Independent Adviser, the Issuer or the Noteholders (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 precedence over the fallbacks set out in paragraph (b) to (d) (inclusive) of the definition of STIBOR.

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 paragraph (a) above 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 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 Issuing Agent to calculate any payments due to be made to any Noteholder 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 (*krishanteringsregelverket*) containing the information referred to in paragraph (b) above; or

(f) a Base Rate Event Announcement has been made and the announced Base Rate Event as set out in paragraphs (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 Council (*Finansiella stabilitetsrådet*) 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 Notes, 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) above, 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, the Noteholders shall, if so decided at a Noteholders' 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 Noteholders) 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 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 Issuing Agent and the Noteholders in accordance with Clause 24 (*Notices*) and the CSD. The notice shall also include information about the effective date of the amendments. If the Notes 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 Issuing Agent and the Noteholders.

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 Noteholders, 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 Issuing Agent shall always be entitled to consult with external experts prior to amendments are effected pursuant to this Clause 18. Neither the Agent nor the Issuing Agent shall be obliged to concur if in the reasonable opinion of the Agent or the Issuing 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 Issuing 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 wilful 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 Notes, each initial Noteholder appoints the Agent to act as its agent in all matters relating to the Notes and the Finance Documents, and authorises the Agent to act on its behalf (without first having to obtain its consent, unless such consent is specifically required by these Terms and Conditions) in any legal or arbitration proceedings relating to the Notes held by such Noteholder, including the winding-up, dissolution, liquidation, company reorganisation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer. By acquiring Notes, each subsequent Noteholder confirms such appointment and authorisation for the Agent to act on its behalf.

19.1.2 Each Noteholder shall immediately upon request provide the Agent with any such documents, including a written power of attorney (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Agent is under no obligation to represent a Noteholder which does not comply with such request.

19.1.3 The Issuer shall promptly upon request provide the Agent with any documents and other assistance (in form and substance satisfactory to the Agent), that the Agent deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents.

19.1.4 The Agent is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents and the Agency Agreement and the Agent's obligations as Agent under the Finance Documents are conditioned upon the due payment of such fees and indemnifications.

19.1.5 The Agent may act as agent or trustee 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 Noteholders in accordance with the Finance Documents. However, the Agent is not responsible for the execution or enforceability of the Finance Documents.

19.2.2 When acting in accordance with the Finance Documents, the Agent is always acting with binding effect on behalf of the Noteholders. The Agent is never acting as an advisor to the Noteholders or the Issuer. Any advice or opinion from the Agent does not bind the Noteholders or the Issuer. The Agent shall act in the best interest of the Noteholders as a group and carry out its duties under the Finance Documents in a reasonable, proficient and professional manner, with reasonable care and skill.

19.2.3 The Agent is entitled to delegate its duties to other professional parties, but the Agent shall remain liable for the actions of such parties under the Finance Documents.

19.2.4 The Agent shall treat all Noteholders equally and, when acting pursuant to the Finance Documents, act with regard only to the interests of the Noteholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.

19.2.5 Notwithstanding any other provision of the Finance Documents to the contrary, the Agent is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.

19.2.6 If in the Agent's reasonable opinion the cost, loss or liability which it may incur (including reasonable fees to the Agent) in complying with instructions of the Noteholders, or taking any

action at its own initiative, will not be covered by the Issuer, the Agent may refrain from acting in accordance with such instructions, or taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

19.2.7 The Agent shall give a notice to the Noteholders:

(a) 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

(b) if it refrains from acting for any reason described in Clause 19.2.6.

19.2.8 The Agent is entitled to engage external experts when carrying out its duties under the Finance Documents. The Issuer shall on demand by the Agent pay all costs for external experts engaged after the occurrence of a breach of the Terms and Conditions, or for the purpose of investigating or considering:

(a) an event or circumstance which the Agent reasonably believes is or may lead to a breach of the Terms and Conditions or may lead to a bankruptcy or liquidation of the Issuer;

(b) in connection with any Noteholders' meeting or Written Procedure;

(c) in connection with any amendment (whether contemplated by the Finance Documents or not) or waiver under the Finance Documents; or

(d) a matter relating to the Issuer which the Agent reasonably believes may be detrimental to the interests of the Noteholders under the Finance Documents.

Any compensation for damages or other recoveries received by the Agent from external experts engaged by it for the purpose of carrying out its duties under the Finance Documents shall be distributed in accordance with Clause 15 (*Distribution of proceeds*).

19.2.9 Other than as specifically set out in the Finance Documents, the Agent shall not be obliged to monitor (i) the performance, default or any breach by the Issuer or any other party of its obligations under the Finance Documents, (ii) the financial condition of the Issuer and the Group or (iii) 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, 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.

19.3 Liability for the Agent

19.3.1 The Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its negligence or wilful misconduct. The Agent shall never be responsible for indirect 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 Noteholders to delay the action in order to first obtain instructions from the Noteholders.

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

Noteholders, provided that the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.

19.3.4 The Agent shall have no liability to the Noteholders for damage caused by the Agent acting in accordance with instructions of the Noteholders given in accordance with Clause 16 (*Decisions by Noteholders*).

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 Noteholders under the Finance Documents.

19.4 Replacement of the Agent

19.4.1 Subject to Clause 19.4.6, the Agent may resign by giving notice to the Issuer and the Noteholders, in which case the Noteholders shall appoint a successor Agent at a Noteholders' Meeting convened by the retiring Agent or by way of Written Procedure initiated by the retiring Agent.

19.4.2 Subject to Clause 19.4.6, if the Agent is Insolvent, the Agent shall be deemed to resign as Agent and the Issuer shall within ten (10) Business Days appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

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

19.4.4 If the Noteholders have not appointed a successor Agent within ninety (90) days after:

(a) the earlier of the notice of resignation was given or the resignation otherwise took place; or

(b) the Agent was dismissed through a decision by the Noteholders,

the Issuer shall appoint a successor Agent which shall be an independent financial institution or other reputable company which regularly acts as agent under debt issuances.

19.4.5 The retiring Agent shall, at its own cost, make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.

19.4.6 The Agent's resignation or dismissal shall only take effect upon the appointment of a successor Agent and acceptance by such successor Agent of such appointment and the execution of all necessary documentation to effectively substitute the retiring Agent.

19.4.7 Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents but shall remain entitled to the benefit of the Finance Documents and remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Agent. Its successor, the Issuer and each of the Noteholders shall have the same rights and obligations amongst themselves under the Finance Documents as they would have had if such successor had been the original Agent.

19.4.8 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 and the Agency Agreement. 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 ISSUING AGENT

20.1 The Issuer shall when necessary appoint an Issuing Agent to manage certain specified tasks under these Terms and Conditions and in accordance with the legislation, rules and regulations applicable to and/or issued by the CSD and relating to the Notes. The Issuing Agent shall be a commercial bank or securities institution approved by the CSD.

20.2 The Issuer shall ensure that the Issuing Agent enters into agreements with the CSD, and comply with such agreement and the CSD Regulations applicable to the Issuing Agent, as may be necessary in order for the Issuing Agent to carry out its duties relating to the Notes.

20.3 The Issuing Agent will not be liable to the Noteholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Issuing 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 Notes.

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 Noteholder or any admission to trading of the Notes. The replacing CSD must be authorised to professionally conduct clearing operations pursuant to the Swedish Securities Markets Act (*lag (2007:528) om värdepappersmarknaden*) and be authorised as a central securities depository in accordance with the Financial Instruments Accounts Act.

22. NO DIRECT ACTIONS BY NOTEHOLDERS

22.1 A Noteholder may not take any steps whatsoever against the Issuer to enforce or recover any amount due or owing to it pursuant to the Finance Documents, or to initiate, support or procure the winding-up, dissolution, liquidation or bankruptcy (or its equivalent in any other jurisdiction) of the Issuer in relation to any of the obligations and liabilities of the Issuer under the Finance Documents. 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 Noteholders in accordance with the Finance Documents to take certain actions but fails for any reason to take, or is unable to take (for any reason other than a failure by a Noteholder to provide documents in accordance with Clause 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 19.2.6, such failure must continue for at least forty (40) Business Days after notice pursuant to Clause 19.2.7 before a Noteholder 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 Noteholder's right to claim and enforce payments which are due by the Issuer to some but not all Noteholders.

22.4 The provisions of this Clause 22 (*No direct actions by the Noteholders*) are subject to the over-riding limitations set out in Clause 3 (*Status of the Notes*).

23. TIME-BAR

23.1 The right to receive repayment of the principal of the Notes shall be time-barred and become void ten (10) years from the Redemption Date. Subject to Clause 10 (*Interest and interest cancellation*), 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 Noteholders' 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 (*preskriptionslag (1981:130)*), a new limitation period of ten (10) years with respect to the right to receive repayment of the principal of the Notes, and of three (3) years with respect to receive payment of interest (excluding capitalised interest) will commence, in both cases calculated from the date of interruption of the limitation period, as such date is determined pursuant to the provisions of the Swedish Act on Limitations.

24. NOTICES

24.1 Any notice or other communication to be made under or in connection with the Finance Documents:

(a) if to the Agent, shall be given at the address registered with the Swedish Companies Registration Office (*Bolagsverket*) on the Business Day prior to dispatch, or, if sent by email by the Issuer, to the email address notified by the Agent to the Issuer from time to time;

(b) if to the Issuer, shall be given at the address registered with the Swedish Companies Registration Office on the Business Day prior to dispatch, or, if sent by email by the Agent, to the email address notified by the Issuer to the Agent from time to time; and

(c) if to the Noteholders, shall be given at their addresses registered with the CSD on a date selected by the sending person which falls no more than five (5) Business Days prior to the date on which the notice or communication is sent, and by either courier delivery (if practically possible) or letter for all Noteholders. A notice to the Noteholders shall also be published on the website of the Issuer and the Agent.

24.2 Any notice or other communication made by one person to another under or in connection with the Finance Documents shall be sent by way of courier, personal delivery or letter, or, if between the Issuer and the Agent, by email, and will only be effective:

(a) in case of courier or personal delivery, when it has been left at the address specified in Clause 24.1;

(b) in case of letter, three (3) Business Days after being deposited postage prepaid in an envelope addressed to the address specified in Clause 24.1; or

(c) in case of email, when received in readable form by the email recipient.

24.3 Any notice which shall be provided to the Noteholders in physical form pursuant to these Terms and Conditions may, at the discretion of the Agent, be limited to:

(a) a cover letter, which shall include:

(i) all information needed in order for Noteholders to exercise their rights under the Finance Documents;

(ii) details of where Noteholders can retrieve additional information;

(iii) contact details to the Agent; and

(iv) an instruction to contact the Agent should any Noteholder wish to receive the additional information by regular mail; and

(b) copies of any document needed in order for Noteholder to exercise their rights under the Finance Documents.

24.4 Any notice or other communication pursuant to the Finance Documents shall be in English.

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

25. FORCE MAJEURE

25.1 Neither the Agent nor the Issuing Agent shall be held responsible for any damage arising out of any legal enactment, or any measure taken by a public authority, or war, strike, lockout, boycott, blockade, natural disaster, insurrection, 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 Issuing 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 Issuing Agent from taking any action required to comply with these Terms and Conditions, such action may be postponed until the obstacle has been removed.

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

26. GOVERNING LAW AND JURISDICTION

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

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

DESCRIPTION OF THE ISSUER AND THE GROUP

Introduction

The Issuer's legal and commercial name is Hoist Finance AB (publ), and its Swedish Reg. No. is 556012-8489 and its Legal Entity Identifier Code is 549300NPK3FB2BEL4D08. The Issuer's registered address is P.O. Box 7848, SE-103 99 Stockholm, Sweden. The Issuer's telephone number in Sweden is + 46 (0) 85551 7790. The Issuer's website is https://www.hoistfinance.com/. The information on the website is not part of this Prospectus and has not been scrutinised or approved by the Swedish FSA unless that information is incorporated by reference into this Prospectus.

The Issuer was incorporated in Sweden on 21 August 1915 and registered with the Swedish Companies Registration Office (Sw. *Bolagsverket*) on 1 November 1915. The Issuer is a public limited liability company (Sw. *publikt aktiebolag*) regulated by the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*). The Issuer is a "Credit Market Company" (Sw. *kreditmarknadsföretag*) supervised by the Swedish FSA.

Under its current Articles of Association, the Issuer's share capital shall be not less than SEK 15,000,000 and not more than SEK 60,000,000, divided into not fewer than 60,000,000 shares and not more than 240,000,000 shares. The Issuer has only one class of shares. The Issuer's registered share capital is SEK 29,767,666.66 represented by 89,303,000 shares. Each share has a quota value of SEK 1/3.

The Issuer has been assigned the credit ratings as set out below from Moody's Investors Service:

Long term	**Baa3**	**Negative outlook**
Short term	P-3	

Ownership

The Issuer is the parent company of the Hoist Finance group of companies (the "**Group**"). In this section "Hoist Finance" refers to, depending on the context, the Issuer or the Group. The shares of the Issuer are listed on Nasdaq Stockholm.

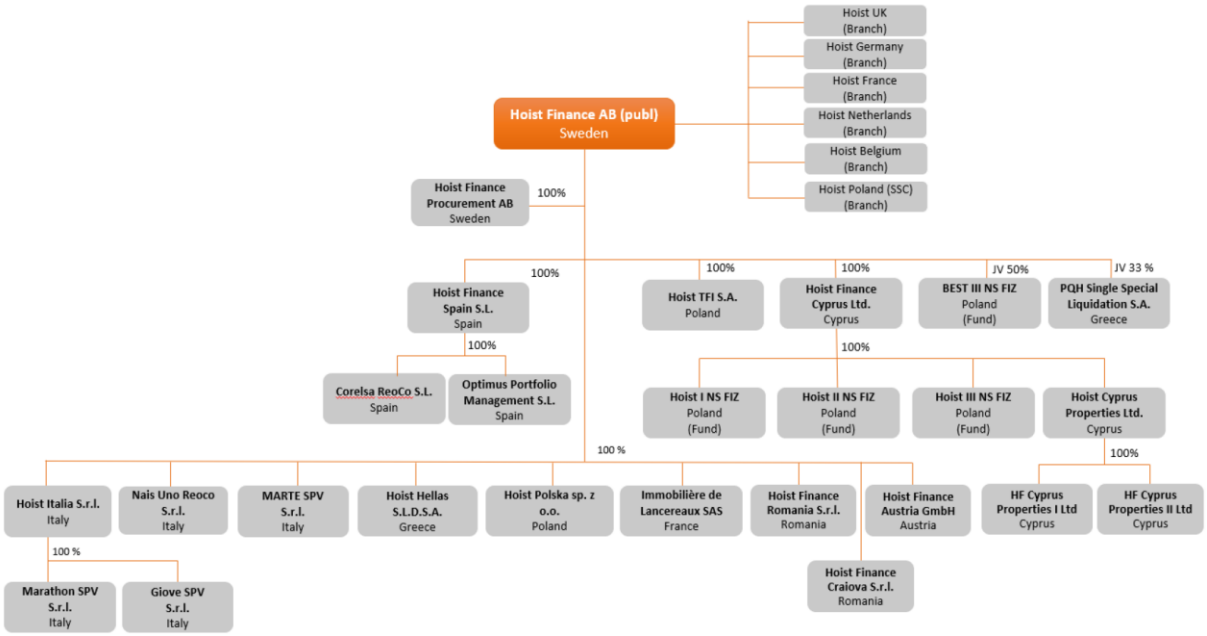
The Issuer has, at the date of this Prospectus, no knowledge of any arrangements (including any shareholders' agreements or other agreements) the operation of which may at a subsequent date result in a change of control of the Issuer.

The table below sets out the ten largest shareholders of the Issuer as of 31 March 2023 (source: Modular Finance AB with ownership statistics from Holdings, Euroclear Sweden AB and changes noted by and/or confirmed to Hoist Finance).

Name	**Share of capital and votes (%)**
Per Arwidsson with related parties	17.3
Erik Selin	15.3
Avanza Pension	9.3
Svea Bank AB	5.1
BlackRock	4.9
Jofam	4.8
Swedbank Robur Funds	4.1
Nordnet Pension Insurance	3.3
Dimensional Fund Advisors	2.0
Arbona AB	1.3
Total	67.4

Group structure

A large part of the Issuer's business is conducted through its subsidiaries and branches, on which the Issuer, as a consequence thereof, is dependent. The Group structure as at the date of this Prospectus is illustrated in the organisational chart below. In October 2022, the Issuer completed the divestment of its UK credit management subsidiary (see "*Divestment of UK credit management subsidiary*" below for further information).



Note: The above chart outlines the most important operational entities.

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

Legal Entity	Crop. Reg. no.	Domicile	Shareholding (fully diluted) (%)
Hoist Finance Procurement AB	559333-7909	Stockholm	100
Immobilière de Lancereaux SAS	2018B20590	Paris	100
HECTOR Sicherheiten-Verwaltungs GmbH (1)	HRB 74561	Duisburg	100
Hoist Polska sp. z o.o.	0000536257	Wroclaw	100
Hoist Finance Cyprus Ltd.	HE 338 570	Nicosia	100
Hoist Cyprus Properties Ltd.	HE 423 727	Nicosia	100
HF Cyprus Properties I Ltd.	HE 424 747	Nicosia	100
HF Cyprus Properties II Ltd.	HE 424829	Nicosia	100
MARTE SPV S.r.l.	4634710265	Conegliano	100
Marathon SPV S.r.l.	05048650260	Conegliano	100
Giove SPV S.r.l	05089700263	Conegliano	100
Hoist Italia S.r.l.	12898671008	Rome	100
Nais Uno Reoco S.r.l.	14564671007	Rome	100
Hoist I NS FIZ (2)	RFI702	Warsaw	100
Hoist III NS FIZ (2)	0000292229	Warsaw	100
Hoist II NS FIZ (2)	RFi 1617	Warsaw	100
BEST III NS FIZ (2)	RFI623	Gdynia	50
Hoist Kredit Ltd. (1).	7646691	London	100

Hoist Hellas S.L.D.S.A.	137777901000	Athens	100
PQH Single Special Liquidation S.A. (3)	138353201000	Athens	33
Hoist Finance Spain S.L.	B87547659	Madrid	100
Optimus Portfolio Management S.L.	B86959285	Madrid	100
Hoist Finance Romania S.r.l.	41830400	Bucharest	100
Hoist Finance Craiova S.r.l	46632099	Bucharest	100
Hoist Finance Austria GmbH	FN544345h	Mooslackengasse	100
Zugspitze Ireland Designated Activity Company (4)	720457	Dublin	100
Hoist TFI S.A	8982271637	Wroclaw	100
Corelsa ReoCo, S.L.	B13822242	Madrid	100

(1) Non-operating companies to be liquidated or disposed.
(2) Non-standardised securitisation funds of which Hoist Finance holds investment certificates.
(3) The company is a part of a consortium, consisting of Hoist Finance AB (publ), Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A.
(4) The only share in the company is held by trustee APEX TSI Limited.

Business overview

Hoist Finance is a European asset manager of non-performing loans ("**NPLs**"). The company is a partner to international banks and financial institutions across Europe, acquiring unsecured and secured NPLs. More than 25 years of experience, knowledge of the regulatory environment and presence in thirteen European markets enables Hoist Finance to offer banks and financial institutions extensive support with debt restructuring solutions. Hoist Finance is also a partner to private individuals and small and medium-sized enterprises (SMEs) in a debt situation, creating long-term sustainable repayment plans enabling them to convert non-performing debt to performing debt. After acquiring an NPL portfolio, Hoist Finance's primary method of collection from its customers is through sustainable payment plan agreements.

Hoist Finance's business model can be divided into two focus areas: **investment management**, which includes all activities to acquire portfolios, and **loan management**, which includes all activities to manage each loan in a portfolio. While the investment management processes are largely centralised and carried out on a Group level, the loan management business is tailored to local conditions and is carried out locally in each of Hoist Finance's markets. The major share of acquired portfolios are serviced by Hoist Finance's own debt collection entities, supplemented by carefully selected external debt collection partners.

As a Swedish Credit Market Company, Hoist Finance is able to offer corporate and retail deposits to the general public that are fully covered by the Swedish state-provided deposit guarantee scheme, which currently guarantees an amount of SEK 1,050,000 for each depositor. Hoist Finance has operated a traditional internet-based retail deposit product in Sweden since 2009 under the HoistSpar brand. In 2017, Hoist Finance launched EUR savings accounts in Germany, and in 2021 also made GBP savings accounts available to UK customers, both in partnership with one of the largest deposit savings platforms in Europe.

Hoist Finance is dependent upon maintaining trusted relationships with debt originators, authorities and society at large. Hoist Finance's internal standards are applicable to all employees and all employees are expected to become acquainted with and comply with these standards, including the third-party collection providers that Hoist Finance engages. These standards mandate that all employees and partners are expected to always work within the law, have sound moral principles and behave in an upright and sincere manner. Hoist Finance has implemented a centrally coordinated compliance-monitoring programme, which evaluates and assesses compliance with legal, regulatory and industry best practices, as well as Hoist Finance's own internal standards to protect Hoist Finance's information technology and data.

History

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

1994	**Hoist Finance recognised that the stock of NPLs in Sweden was growing due to the financial crisis in Sweden in the early 1990s and anticipated the increased need for financial institutions to manage their balance sheets and focus on their core businesses. Hoist Finance converted into a credit management company, refocused its business to concentrate on investing in NPL portfolios in Sweden and divested all other activities.**
1994-1997	**Hoist Finance completed several large portfolio investments in Sweden.**
1996	**The Issuer was authorised by the Swedish FSA under the new rules for credit companies.**
1997	**Hoist Finance established its presence in Germany through a number of debt investments managed out of its Swedish operations.**
1998	**The Issuer was listed on the O-list of the Stockholm Stock Exchange.**
1999	**Hoist Finance acquired Citibank's collection platform in Bremen, Germany, including 90 full time employees and a portfolio with more than 150,000 claims.**
2001	**Hoist Finance entered the French market. Similar to Hoist Finance's market entrance in Germany, this was done through a number of debt investments.**
2003	**Hoist Finance divested its operations in Sweden to focus on markets believed to have the greatest growth opportunities.**
2004	**The Issuer was de-listed from the O-list of the Stockholm Stock Exchange.**
2006-2007	**Hoist Finance expanded its operations into Belgium and the Netherlands through the acquisitions of its first portfolios in these countries. Hoist Finance expanded further in Germany through the acquisition of Union Inkasso GmbH, the German debt collection subsidiary of SEB, including one collection platform, 80 full time employees and a mixed portfolio of secured and unsecured claims.**
2009	**Hoist Finance's Swedish retail deposit offering, HoistSpar, was launched and covered by the Swedish state-provided deposit guarantee scheme.**
2011	**Hoist Finance completed a major NPL investment in Poland through a 50/50 joint venture with its primary debt collection servicing partner in the country, Best S.A. Hoist Finance also completed its first portfolio investments in Italy and the UK.**
2012	**Hoist Finance acquired the Manchester-based debt collection company, Robinson Way, including 256 full time employees, two collection platforms, a large data warehouse and a significant portfolio of debt claims.**
2013	**Hoist Finance continued its expansion in the UK by acquiring the Lewis Group. At the time of the acquisition, the Lewis Group operated from three collection platforms with 330 full time employees across the UK (including certain consultants), had developed a large data warehouse and invested in a substantial NPL portfolio.**
	Hoist Finance completed a major portfolio investment in the Netherlands and established a collection platform in Amsterdam. Hoist Finance made another significant portfolio investment in Poland. Hoist Finance re-affirmed its position in the Austrian market with a number of portfolio investments.
	The Issuer issued a senior unsecured bond and a subordinated unsecured bond, both in SEK, which were listed on Nasdaq Stockholm.
2014	**Toscafund, an asset manager based in London and specialising in global financials, invested in Hoist Finance's operations through a private placement. Hoist Finance engaged in further strategic expansion in Italy through the acquisition of TRC's operations, one of Hoist Finance's long-term debt servicing partners, and in Poland, through the acquisition of Navi Lex (name changed to Hoist Polska), one of Hoist Finance's debt servicing partners.**
2015	**The shares of the Issuer were listed on Nasdaq Stockholm.**
	Acquisition of Compello in the UK. The acquisition included a diversified banking portfolio and an established and proven collection platform with 178 full time employees.
	Acquisition of a NPL portfolio of assets relating to small and medium-size enterprises from Banco Popolare in Italy. The portfolio consisted of approximately 9,000 claims with a nominal value of EUR 950,000,000.
2016	**Hoist Finance entered into a strategic partnership as part of a consortium, consisting of the Issuer, Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A., selected via a tender process initiated by the Bank of Greece, to manage an aggregated NPL portfolio of 16 Greek banks and financial institutions under liquidation and to drive the reorganisation and optimisation of the underlying entities. Total assets of the initial NPL portfolio amounted to approximately EUR 9 billion and covered all major asset classes.** **The Issuer's Euro Medium Term Note Programme was established.** **The Issuer received a Ba1 rating from Moody's.** **Hoist Finance continued its geographic expansion by acquiring its first portfolio in the Spanish market in June and also strengthened its position in Spain by acquiring the Madrid based master servicing company Optimus.** **The Issuer issued EUR 30,000,000 Additional Tier 1 (AT1) capital.**
2017	**The Issuer's rating from Moody's was raised to Baa3.** **Introduction of a deposit offer in Germany.**
2018	**Merger of Hoist Finance and Hoist Kredit was finalised.**
	The Issuer issued EUR 40,000,000 AT1 capital.
	The Issuer launched a SEK 2,500 million Swedish Commercial Paper Programme.
	Hoist Finance completed a SEK 568 million directed new share issue.

	Hoist Finance signed an agreement to acquire Italian credit management company Maran S.p.A. **Hoist Finance acquired a EUR 2 billion Greek portfolio of NPLs.**
2019	**Hoist Finance completed an acquisition of a PLN 400 million portfolio from Polish debt management and collection company GetBack S.A.** **Hoist Finance completed a securitisation of a portfolio of Italian unsecured NPLs with a portfolio size of EUR 225 million.** **Hoist Finance completed a rated securitisation of a portfolio of Italian unsecured NPLs with a portfolio size of EUR 337 million, and at the same time, the EUR 225 million securitisation was unwound and issued notes redeemed early in full.** **Hoist Finance acquired a non-performing mortgage portfolio with an outstanding balance of EUR 375 million.** **Hoist Finance entered into an agreement with the global technology consulting and digital solutions company, Larsen & Toubro Infotech Limited, on outsourcing of services relating to information technology, selected application development and maintenance.**
2020	**Hoist Finance issued EUR 40,000,000 AT1 capital.** **Hoist Finance launched a new sustainability strategy setting out Hoist Finance's ambition to support new innovations to improve financial access and services.** **The Issuer launched a new operating model to support customer-centric and efficient operations.**
2021	**Hoist Finance concluded a securitisation programme partnership agreement with an external investor and completed the inaugural transaction under that securitisation programme.** **Hoist Finance announced a SEK 351 million negative impairment reflecting the prolonged nature of the COVID-19 pandemic and increased uncertainty around the expected recovery.** **Introduction of GBP savings accounts available to UK customers.**
2022	**Hoist Finance completed an acquisition of a EUR 99.9 million NPL portfolio in Greece.** **Hoist Finance completed a divestment of its UK credit management subsidiary including unsecured portfolios.**
2023	**Hoist Finance entered into an agreement with Lowell to acquire a Swedish portfolio of NPLs, with a total investment of SEK 1.2 billion.**

Business areas/segments

Debt investments

Debt investment transaction types

Hoist Finance primarily invests in portfolios under spot agreements (in other words, one-off transactions), pursuant to which portfolios of claims are acquired in one transaction upon payment. Hoist Finance also invests in portfolios under forward flow agreements, pursuant to which claims are bought at a pre-defined price or price range for a given volume from a debt originator on an on-going basis. The majority of debt portfolios for sale are currently offered to the market through competitive auction processes. Many debt originators typically have a panel of trusted debt investors to whom they offer the opportunity of participating in an auction. Debt portfolios are typically sold in the primary market by banks and financial institutions in competitive open market processes, however, Hoist Finance's activity in the secondary market has expanded due to the increasing size of the secondary market, the maturity of investor funds and sales from securitised assets. It is more common for secondary transactions to be conducted bilaterally as opposed to in the open market.

Hoist Finance invests in several categories of claims: non-performing unsecured consumer claims, claims from non-performing unsecured SMEs and non-performing secured consumer and SME claims. In addition, Hoist Finance selectively invests in performing unsecured and secured portfolios.

Funding of debt investments

Hoist Finance funds its portfolio investments through a funding model consisting of deposits from the public, and by issuing bonds and money market instruments, but which may in the future also include other means of financing, such as syndicated credit facilities and other structured finance products including securitisation transactions.

In the first quarter of 2021, Hoist Finance concluded a securitisation programme partnership agreement with an external investor (the "**Securitisation Programme**"), which facilitates new portfolio investments up to approximately EUR 1 billion on a pan-European basis and where the external investor has made a commitment

to invest EUR 150 million in subordinated tranches issued in the structure. The Securitisation Programme is structured with a view to achieving significant risk transfer in accordance with Article 244 of the CRR. The inaugural portfolio acquisition and notes issuance under the Securitisation Programme was completed at the end of the first quarter of 2021, and the Securitisation Programme was extended by another six months in March 2023. Securitisation is an integrated part of Hoist Finance's risk and balance sheet management for regulatory and capital optimisation purposes. Hoist Finance has previously completed stand-alone securitisation transactions for these purposes.

Data Warehouse and analytical steering

The fundamental component in the valuation methodology applied when reviewing, analysing and pricing portfolios is Hoist Finance's internal Data Warehouse, which contains granular historical data on portfolios and customers across Hoist Finance's markets derived from Hoist Finance's debt investment activities since 1997. The Data Warehouse provides the foundation upon which Hoist Finance's operations are built.

The debt investment process

Hoist Finance has developed, and consistently employs, a set of processes and tools when engaging in, reviewing, analysing, pricing and acquiring debt portfolios. A typical portfolio investment involves an initial review and indicative bid process, a pricing and investment process, an investment execution process and an integration and monitoring phase. These processes include aspects such as due diligence and valuation and follow a structured, company-specific template, which ensures consistency across Hoist Finance's operations.

Hoist Finance has developed a number of proprietary tools and processes to price portfolios and to develop accurate collection and cost curves. Hoist Finance's fundamental pricing principle is to use the historical activity driven collection performance data contained in the Data Warehouse and overlay the costs associated therewith (such as portfolio transfer and start-up costs and the costs for various collection strategies), to predict net recoveries on potential acquisitions. In addition, expected future changes to Hoist Finance's operational strategy are taken into account if it is believed that there will be any material changes from historic practice. For a secured portfolio, Hoist Finance also makes an assessment of the underlying asset, the validity of the claim and the expected workout of the position, including the disposal timing.

All portfolio acquisition decisions must be made by Hoist Finance's Management Investment Committee, the Board Investment Committee, or the Board of Directors. Standard portfolio acquisitions for which no Swedish FSA approval is required and with a value up to EUR 50 million or certain complex and/or non-standardised transactions with a value up to EUR 25 million require approval by the Management Investment Committee. Standard transactions exceeding EUR 50 million and certain complex and/or non-standardised transactions exceeding EUR 25 million require the approval of the Board Investment Committee. Standard transactions exceeding EUR 100 million and certain complex and/or non-standardised transactions exceeding EUR 75 million require the approval of the Board of Directors. Further, all transactions that require an approval from the Swedish FSA will require either the approval of the Board Investment Committee or the Board of Directors, as determined in each specific case by the overall circumstances of the transaction (mainly depending on the value of the transaction, or if it is otherwise deemed to be complex and/or non-standardised).When a credit institution makes an investment where the consideration exceeds 25 per cent. of its capital base, such transaction requires the approval of the Swedish FSA. Moreover, if a credit institution makes an investment where the consideration is at least SEK 10 million and corresponds to at least 10 per cent. of its capital base (but not 25 per cent.), the Swedish FSA needs to be notified of such investment.

Collections on acquired portfolios

The process of collecting on acquired portfolios is to a large extent managed through Hoist Finance's 8 in-house collection platforms across Europe and complemented, where appropriate, by local external debt servicing partners.

Hoist Finance's collection strategies aim to identify and match a customer's ability to pay based on individual circumstances and attitudes. Hoist Finance collects primarily by agreeing to sustainable payment plans over the lifetime of the claim with the customer. Hoist Finance may also collect through one-off payments on the claim. Hoist Finance's ambition is to find a solution suitable and beneficial for both sides and settlements are often based on small amounts over a long period.

Savings products

The Issuer is regulated and supervised by the Swedish FSA as a Credit Market Company. As such, the Issuer has the ability to accept corporate and retail deposits from the general public that are covered by the Swedish state-provided deposit guarantee scheme. This scheme guarantees an amount of SEK 1,050,000 for each depositor should a guarantee-covered provider of deposits enter into bankruptcy, or should the Swedish FSA otherwise decide that the guarantee should become effective. Deposits make up the single, largest part of the Issuer's funding mix. The Issuer's deposit-taking scheme allows the Issuer to secure funding at comparatively low costs and gives the Issuer access to a substantial source of liquidity. This solid liquidity position has been essential in enabling Hoist Finance's portfolio investments in recent years.

The Issuer's online deposit platform in Sweden, HoistSpar, is offered to private individuals and companies. HoistSpar was established in 2009 (term deposits launched in late 2012). The Issuer's depositor base in Sweden had as of 31 December 2022 a total deposit balance of SEK 6.7 billion. Term deposits can be withdrawn immediately upon payment of a withdrawal fee.

The Issuer also offers savings accounts in Germany and the UK, through one of the largest deposit savings platforms in Europe. The Issuer's depositor base in Germany had, as of 31 December 2022, a total deposit base of EUR 972.2 million, corresponding to a book value of SEK 10.8 billion[1]. The Issuer's depositor base in the UK had, as of 31 December 2022, a total deposit base of GBP 82.3 million, corresponding to a book value of SEK 1 billion[2].

The main objective of the deposit schemes is to facilitate a low-volatility (with regards to nominal amounts) and cost-effective funding source, and at the same time profiling Hoist Finance as a well-reputed provider of savings products.

Certain financial information

Alternative performance measures ("**APMs**") are financial measures of past or future earnings trends, financial position or cash flow that are not defined in the applicable accounting regulatory framework, such as in IFRS, or in applicable prudential measures, such as Applicable Capital Regulations (as defined in the Terms and Conditions). APMs are used by the Group, along with other financial measures, when relevant for monitoring and describing its financial situation such as in relation to the required asset valuation assessments, and for providing additional useful information to users of its financial reports. These measures may be similar to but are not directly comparable with similar performance measures that are presented by other companies. Estimated remaining collections ("**ERC**"), return on equity, Cash EBITDA and MDA Buffer (each as defined below) are four APMs that are used by the Group.

ERC

ERC is the sum of future projected gross cash collections on acquired portfolios for a set length of time (from 1 January 2018 the Group has measured ERC over a period of up to 180 months for each portfolio held). The assessment is based on estimates for each loan portfolio and ranges in duration from the following month to 180

[1] EUR 1 = SEK 11.1283

[2] GBP 1 = SEK 12.5811

months ahead. The estimate for each loan portfolio is based on the Group's experience in processing and collecting over the portfolio's entire economic life.

ERC excludes estimated collections beyond the referenced period for the relevant portfolio. These projections are based on historical and current portfolio collection performance data and trends and assumptions about future debt collection rates, all of which are assessed at least monthly and on a consistent basis relative to previous assessments made in respect of the same portfolio. As a result, the Group can continuously monitor and review its loan portfolios in relation to their reported values in its balance sheet and for the purposes of the Group's reported revenue recognition, by comparing such values and revenue recognition with each portfolio's ERC development over time.

The estimation of ERC, its distribution in time and the associated collection cost is a key uncertainty within the Group's policies on revenue recognition of acquired portfolios. These estimates are based on the Group's collection history with respect to not only the assessed portfolio but also portfolios comprising similar attributes and characteristics, such as date of investment, debt originator, type of receivable, customer payment history, customer location, and the time since the original charge-off, as well as the Group's experience and existing schedules of repayment plans on the particular portfolio.

Although ERC must inevitably be based on, among other things, certain assessments and interpretations of trends of a forward-looking nature, these calculations when made on a consistent basis over different periods and different portfolios should provide for a more consistent and reliable basis for the Group to meet its accounting requirements to continuously review the carrying values of these portfolios (see line item "*acquired loan portfolios*" in the Group's consolidated balance sheet, which can be found on page 60 of the Annual and Sustainability Report for the financial year ended 31 December 2022 of the Issuer and which is incorporated by reference into this Prospectus). The ERC calculations, which are made public on an aggregated basis through the Group's regular reporting, are thus made individually for each portfolio as from its acquisition on the basis of, among other things, the initial investment calculation made as well as the subsequent actual collections and deemed future collections, for the purpose of adequately adjusting such carrying values as appropriate (inclusive of the application of reasonable revenue recognition), and not only to assess the adequacy of the initial investment calculation that was made in relation to the respective portfolio investment. The ERC calculations are performed consistently with the accounting policies and principles applied in the initial accounting for such acquisitions when made, among other things, by applying the same calculation interest rate for discounted cash-flow purposes that formed part of the investment calculation throughout the subsequent ERC calculations.

The Group can provide no assurances that it will achieve such collections within the specified time periods, or at all. ERC is a measure that is also often used by other companies in the debt purchasing industry. However, it may be calculated differently by other companies. The Group reports its ERC because it represents an estimate of the anticipated future cash collections on its acquired portfolios at any point in time, which is an important supplemental measure used by management to assess the Group's performance and the cash generation capacity of the assets backing its business. The Group uses ERC as the business case forecast horizon when investing in portfolios and the Group also uses it for accounting purposes. In this Prospectus, the Group presents ERC on its acquired portfolios over a 180-month period. The table below sets forth gross 180-month ERC for the Group as of 31 December 2022, 2021 and 2020 respectively.

Gross 180-month ERC

As of 31 December

SEK *million*	**2022**	**2021**	**2020**
ERC[(1)]	**32,946**[(2)]	**32,900**	**32,763**

(1) Excluding run-off consumer loan portfolio, performing loan portfolios, and portfolios held in the Polish joint venture.
(2) 2022 adjusted for discontinued operations and comparative periods including discontinued operations

Return on equity

Return on equity is the Group's net profit for the year adjusted for accrued unpaid interest on AT1 capital, divided by equity, adjusted for AT1 capital reported in equity, calculated as the quarterly average for the

financial year. Return on equity is one of four financial targets, and the Group targets a return on equity exceeding 15 per cent. in order to ensure the right balance between growth, profitability and capital efficiency.

Return on equity calculations, adjusted for items affecting comparability

	Full year	Full year
SEK million	**2022**	**2021**
Equity	5,744	4,941
Additional Tier 1 capital	(1,106)	(1,106)
Reversal of interest expense paid for AT1 capital	95	90
Reversal of items affecting comparability[(1)]	-	106
Total equity	4,733	4,031
Total equity (quarterly average)[(2)]	4,234	3,998
Profit for the year	801	(117)
Reversal of items affecting comparability[(1)]	-	106
Estimated annual profit	801	(11)
Adjustment of interest on AT1 capital	(99)	(90)
Adjusted annual profit	702	(102)
Return on equity (%)	17	(3)

(1) Items affecting comparability for 2021 pertain to a provision for an ongoing tax audit and management restructuring costs.

(2) Calculated as an average for the financial year based on a quarterly basis.

	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
SEK million	**2022**	**2022**	**2022**	**2022**	**2021**	**2021**	**2021**	**2021**	**2020**
Equity	5,744	5,268	5,205	5,063	4,941	4,873	4,838	4,905	5,158
Additional Tier 1 capital	1,106	1,106	1,106	1,106	1,106	1,106	1,106	1,106	1,106
Reversal of interest expense paid for AT1 capital	95	95	61	33	90	90	58	31	60
Reversal of items affecting comparability	-	-	-	-	106[(1)]	106	106	-	155
Total equity	4,733	4,257	4,160	3,989	4,031	3,962	3,896	3,829	4,267

(1) Refer to footnote (1) set out above relating to items affecting comparability for 2021.

Cash EBITDA

Cash EBITDA is the Group's earnings before interest, tax, depreciation and (non-costed) amortisation (EBITDA), net of gross cash collections and interest income on acquired loan portfolios (Cash EBITDA). The Group uses this measure to show the Group's aggregated cash generation from its business in order to facilitate comparisons over time as well as with other companies in the same industry.

Cash EBITDA

	Full Year	Full Year
SEK million	**2022**	**2021**
Profit for the period	801	(117)
+ Income tax expense	71	78
+ / - Net result from financial transactions	(309)	(82)
+ Interest expense	562	574
- Interest income (excl. interest from run-off performing portfolio)	(50)	2
+ Portfolio revaluations	490	635
+ Depreciation and amortisation of tangible and intangible assets	109	118
EBITDA	**1,678**	**1,216**
+ Gross cash collections on acquired loan portfolios	7,520	6,557
- Interest income on acquired loan portfolios	(3,092)	(3,006)
Cash EBITDA	**6,106**	**4,767**

MDA buffer

The Group's maximum distributable amount (**MDA**) is its CET1 pillar 1 requirement *plus* its CET1 pillar 2 requirement *plus* its combined buffer requirement (each as calculated in accordance with Applicable Capital Regulations). The MDA is used by the Group to provide further information regarding the CET1 capital level under which discretionary payments on dividends and additional tier 1 interest payments would be constrained. The Group further uses the measure MDA buffer, which is calculated as the CET1 Ratio (as defined in the Terms and Conditions) less MDA. This measure aims to provide further information regarding the buffer of CET1 capital that is available for interest payments before reaching the maximum distributable amount, i.e. the cushion above the capital level at which discretionary payments on dividends and additional tier 1 interest payments would be constrained.

MDA buffer (Group)

	Q1	Full Year	Q1	Full Year
	2023	**2022**	**2022**	**2021**
CET1 capital ratio,%	15.01	15.85	9.9	9.56
MDA, %	8.06	8,09	7,95	7,91
MDA buffer, %	**6.95**	7,76	1,95	1,65

MDA buffer (Issuer)

	Q1	Full Year	Q1	Full Year
	2023	**2022**	**2022**	**2021**
CET1 capital ratio,%	12.99	14.62	14.62	11.71
MDA, %	8.17	7,95	7,97	8,03
MDA buffer, %	**4.82**	6,67	6,65	3,68

Geographic presence

Hoist Finance is present in 13 countries across Europe. When a licensed entity wishes to conduct licensed activities in other jurisdictions, this can be done either by establishing a branch or by conducting business itself in such new jurisdiction. The latter is referred to as "passporting the license". The Issuer has established branches in Belgium, the Netherlands, Germany, France, Romania, Poland, and the UK and is thereby subject to

scrutiny from local regulators in these jurisdictions in addition to the supervision conducted by the Swedish FSA. The Issuer has also passported its license to conduct financial business into France, Greece, Germany, Austria, and Cyprus, and the Swedish FSA has notified the local regulators in each of these jurisdictions that the Issuer is, will be or is evaluating the possibility of, conducting business there. A large part of the Issuer's business is conducted through its subsidiaries and branches.

In Poland, Hoist Finance is licensed by the Polish Financial Supervisory Authority (*Komisja Nadzoru Finansowego*) to service assets of securitisation funds, which is the typical structure used to acquiring NPLs in Poland.

Hoist Finance undertakes collections (by itself or via an outsourcing partner) on acquired debt in Germany, Austria, Belgium, the Netherlands, France, Poland, Italy, Spain, Romania, Cyprus, Greece, the UK, and Sweden. Hoist Finance's headquarters are located in Stockholm, Sweden, where Hoist Finance also raises funding through its deposit platforms, and manages Group functions for finance, risk control and compliance. Since 2023 Hoist Finance also collects debt on Swedish, unsecured NPL portfolios via an outsourcing partner. In addition, Hoist Finance has offices in London, UK and Duisburg, Germany.

While Hoist Finance's debt investment process, including sales, origination and analytics, is largely centralised and carried out on a Group level, the debt collection activities are mainly carried out locally in each market.

Sweden

Hoist Finance re-entered the Swedish market in March 2023 when the Issuer entered into an agreement with Lowell Sverige AB to acquire a Swedish portfolio of non-performing consumer loans. The nominal value of the portfolio amounted to SEK 8.1 billion with a final purchase price of SEK 1.2 billion. The investment signified Hoist Finance's establishment in the Swedish market and involved the establishment of a new organisational unit, processes and procedures for managing Swedish portfolios. The servicing of the portfolio is outsourced to Lowell Sverige AB.

UK

In the UK, Hoist Finance acquired its first portfolio in 2011.

On 13 April 2022, Hoist Finance announced that it had entered into an agreement with Lowell Financial to divest its UK credit management subsidiary, including unsecured NPL portfolios. The enterprise value of the transaction was approximately SEK 4,500 million and represented 108 per cent. of Hoist Finance's unsecured book value of the unsecured portfolios being sold.

The book value of the sold unsecured portfolios was approximately SEK 4,150 million, representing approximately 19 per cent. of the Group's total portfolios in December 2021. A portfolio of secured loans of SEK 340 million and group functions will remain operating as usual in the UK. The transaction was completed on 25 October 2022. The divestment of the UK unsecured operations was a result of Hoist Finance's commitment to invest and operate where the Group can generate attractive risk-adjusted returns.

Hoist Finance's strategic focus in the UK, post the divestment of its UK unsecured operations, is to participate in performing (secured and unsecured) and secured NPL transactions. Hoist Finance will also assess bilateral NPL unsecured opportunities, while targeting portfolios with collections outsourced to partners or financial investments in secured portfolios mainly in the secondary market.

During the financial year ending 31 December 2022, the Group had an average (adjusted for discontinued operations) of 37 full-time employees in the UK.

France

Hoist Finance entered the French market in 2001.

In France, Hoist Finance operates through a hybrid model of in-house collections complemented by third-party collections, including a network of reliable and carefully selected debt collection providers, bailiffs and lawyers.

During the financial year ending 31 December 2022, the Group had an average of 126 full-time employees in France.

Spain

Hoist Finance entered the Spanish market in June 2016 by acquiring its first portfolio.

During the financial year ending 31 December 2022, the Group had an average of 111 full-time employees in Spain.

Germany / Austria

Hoist Finance has operated in Germany since 1997.

In Germany, Hoist Finance has partnerships with a large number of financial institutions. Hoist Finance operates in-house collections with one collection platform in Duisburg and has both debt investment operations, focusing on unsecured consumer NPLs, and debt servicing operations.

During the financial year ending 31 December 2022, the Group had an average of 163 full-time employees in Germany.

Austrian portfolios are managed by Hoist Finance's German platform, with administrative file-handling managed through a local debt servicing agency, as Hoist Finance has no local presence in Austria.

Poland

Hoist Finance has been present in Poland since 2011.

During the financial year ending 31 December 2022, the Group had an average of 323 full-time employees in Poland.

Belgium / the Netherlands

Hoist Finance has been present in Belgium since 2006 and in the Netherlands since 2007.

In both Belgium and the Netherlands, Hoist Finance's focus is on NPLs originated by financial institutions. In the Netherlands, Hoist Finance operates through a hybrid model of in-house and outsourced collections. Hoist Finance's collections in Belgium are mainly conducted in-house via its platform in Amsterdam.

During the financial year ending 31 December 2022, the Group had an average of 37 full-time employees in Belgium and the Netherlands.

Italy

Hoist Finance entered the Italian market by acquiring its first portfolio in 2011.

Italy is a strategically important market as Hoist Finance expects banks to increasingly carry out systematic sales to clear out their backlog of NPLs and to sell claims at an earlier stage of the recovery cycle. Hoist Finance expects to continue to build on this collection platform ahead of this expected growth development.

Hoist Finance operates three collection platforms in Italy, located in Lecce, Rome and Spoleto. During the financial year ending 31 December 2022, the Group had an average of 309 full-time employees in Italy.

Greece

In 2016, Hoist Finance entered into a strategic partnership as part of a consortium, consisting of Hoist Finance, Qualco S.A. and PricewaterhouseCoopers Business Solutions S.A., selected via a tender process initiated by the Bank of Greece, to manage an aggregated NPL portfolio of 16 Greek banks and financial institutions under liquidation and to drive the reorganisation and optimisation of the underlying entities.

In addition, Hoist Finance has established a wholly owned local subsidiary, Hoist Hellas S.A., licensed as a credit servicing firm by the Bank of Greece.

In 2021, Hoist Finance entered into an agreement with Alpha Bank to acquire a Greek portfolio of NPLs, comprising unsecured consumer loans and a minor part of small enterprise loans and secured loans. The total expected collection is EUR 1,924 million and the total investment is EUR 99.9 million. The transaction closed in March 2022, making Hoist Finance one of the key players in the NPL market in Greece.

During the financial year ending 31 December 2022, the Group had an average of 10 full-time employees in Greece.

Romania

The Romanian branch office, Hoist Finance AB (publ) Romania, is a nearshoring operation providing services within the Group.

During the financial year ending 31 December 2022, the Group had an average of 119 full-time employees in Romania.

Cyprus

In December 2020, Hoist Finance entered into an agreement to acquire its first portfolio in Cyprus.

During the financial year ending 31 December 2022, the Group had an average of 7 full-time employees in Cyprus.

Strategy and financial targets

Hoist Finance invests in portfolios comprising non-performing loans to consumers and SMEs, including both unsecured and secured asset classes. The business can be divided into three business areas, where the objective for each of them is to develop sustainable competitive advantage: Investment Management, Loan Management and Capital and funding (which complements Investment Management and Loan Management).

While the investment management processes are largely centralised and carried out on Group level, the Loan Management business needs to be carefully tailored to local conditions and is carried out locally in each of the Issuer’s markets. In Loan Management the core business is to collect on Hoist Finance’s own portfolios and not conduct collections on third parties’ portfolios. Collections are managed in a mix of in-house and outsourced operations, of which the majority is in-house.

Hoist Finance's general funding strategy is to maintain a sustainable, cost-efficient and well diversified funding structure, while at the same time upholding a sound structural risk level. Diversification between different types of funding sources in various markets, currencies and forms of funding instruments is a key component.

Investment management

- Deploy capital to the most profitable opportunities with the highest risk-adjusted return.
- Combine bilateral bank partnerships and auction-based acquisitions and aim for a balance between smaller and larger deals.
- Balanced geographical and asset class exposure.
- Actively use data to continuously follow the loans and adjust collection strategies, repackage loans into new portfolios to be outsourced, or when right to do so, consider sale.

Loan management

- Excellent customer experience by optimal use of different communication and payment channels.
- Benchmark and define "best-in-class" collection models.
- Operational flexibility by a combination of in-house and outsourced collection.
- Optimise cost to collect by use of intelligent data algorithms and automation.
- Secure efficient and scalable platforms to have the ability to scale up.
- Safe, secure and high performing technology platform, driven by business strategy.

Capital and funding

- Maintain optimal funding structure, designed to match the expected development of the balance sheet in a long-term viable way, while also being cost efficient. Option to involve partnerships when beneficial.
- Remain a Swedish FSA regulated credit institution.

Financial targets

- *Profitability and return:* Hoist Finance aims to achieve a Return on Equity exceeding 15 per cent.;
- *Capital Structure:* Under normal conditions, the CET1 Ratio should be 2.3-3.3 percentage points above overall CET1 requirements specified by the Swedish FSA;
- *Growth:* Earnings per share (adjusted for interest on additional tier 1 capital instruments) should grow by an average annual growth rate of 15 per cent. over a business cycle; and
- *Dividend policy:* Hoist Finance's dividend shall in the long-term correspond to 25-30 per cent. of annual net profit. The dividend will be determined annually, with respect to the Issuer's capital target and the outlook for profitable growth.

Insurance

Hoist Finance's Group-wide insurance policies include insurance to cover certain risks associated with the Group's business, including general liability, crime insurance, professional liability, directors' and officers' liability insurance and cyber insurance. The Group uses an insurance broker to maintain consistency of coverage across jurisdictions.

Internal governance and control

Hoist Finance's internal control framework is designed to establish three "lines of defence": (i) management and implementation, (ii) control functions and (iii) audits.

In the first line of defence, the Board of Directors of the Issuer decides on the objectives, strategies and risk levels to be applied in Hoist Finance's operations, including issuing policies on Hoist Finance's operational governance. Hoist Finance's executive management team (the "**Executive Management Team**") manages and delegates these decisions to non-executive and mid-level management who, in turn, are responsible for implementing these decisions across Hoist Finance's operations. There are reporting procedures in place all the way from local level up to management and board level. These reporting procedures serve to identify and elevate any risk management and compliance issues and thus ensure that Hoist Finance's internal governance is effective and that the execution of Hoist Finance's objectives and strategies is carried out in compliance with applicable laws and regulations.

In the second line of defence, Hoist Finance has dedicated risk, compliance and security functions that serve as independent support and provide advice for internal control processes, assess important areas of risk and compliance and follow up specific risk control and compliance measures. Hoist Finance's risk control, compliance and security functions are located at Hoist Finance's headquarters in Stockholm, Sweden.

In the third line of defence, Hoist Finance regularly carries out independent internal, as well as external, audits to test and review the work carried out in the first two lines of defence and to continuously identify areas of improvement.

Board of directors

The Board of the Issuer consists of six members elected by the General Meeting of Shareholders. The table below sets forth the name and current position of each Board member.

Name	Position	Board member since
Lars Wollung	**Chair**	**2022**
Peter Zonabend	**Member**	**2021**
Camilla Philipson Watz	**Member**	**2022**
Bengt Edholm	**Member**	**2022**
Christopher Rees	**Member**	**2022**
Rickard Westlund	**Member**	**2022**

Lars Wollung

Born 1961. Board member since 2022 and Chair of the Board since 2023.

Principal education: Master of Science in Electrical Engineering, Stockholm Royal Institute of Technology, and Bachelor of Arts in business administration, Stockholm School of Economics.

Other on-going principal assignments: Consultant at Wollung & Partners, and Chairman of the board of Implema and Dignisia.

Peter Zonabend

Born 1980. Board member since 2021.

Principal education: Master of Laws and Bachelor of Science in Business, General Business Administration and Economics, Stockholm University and European Master in Law and Economics Programme at Aix-Marseille III, Aix-en-Provence.

Other on-going principal assignments: Chief Executive Officer of Arwidsro Fastighets AB and Chairman of the board of directors of Vivesto AB.

Camilla Philipson Watz

Born 1975. Board member since 2022.

Principal education: Master of Laws, Stockholm University.

Other on-going principal assignments: Chief Legal Officer at Borgo AB.

Bengt Edholm

Born 1956. Board member since 2022 and previously Chair of the Board.

Principal education: Master of Science in Economics, Uppsala University.

Other on-going principal assignments: Member of the board of directors and Chairman of the Risk and Compliance Committee of Collector Bank AB.

Christopher Rees

Born 1972. Board member since 2022.

Principal education: Master of Science in Finance and Accounting, London School of Economics.

Other on-going principal assignments: Board member and vice chair of Econnext and Managing Director of Seerave Enterprises.

Rickard Westlund

Born 1966. Board member since 2022.

Principal education: Master of Science in Economics, Örebro University.

Other on-going principal assignments: CEO Ropo Capital.

Committees

The Board of Directors of the Issuer has established four Board committees: (i) the Risk and Audit Committee, (ii) the Investment Committee, (iii) the Finance Committee, and (iv) the Remuneration Committee.

The Risk and Audit Committee serves in an advisory capacity and prepares matters for consideration and decision by Hoist Finance's Board of Directors. The Risk and Audit Committee also has a mandate to make decisions in matters regarding the procurement of non-audit related services from external auditors. The committee is responsible for monitoring and ensuring the quality of financial reporting and the effectiveness of the Issuer's internal control and tasks performed by the Internal Audit, Risk Control, Compliance and Security functions. The committee also discusses assessments pertaining to the annual accounts. In matters relating to the external audit, the Risk and Audit Committee, notwithstanding the Board of Directors' other responsibilities and duties, regularly meets with and reviews reports from the Issuer's external auditors in order to remain informed about the focus and scope of the audit and to discuss the coordination of the external and internal audit with the external auditor. The Risk and Audit Committee informs the Board of Directors about audit results, the manner in which the audit contributed to the reliability of financial reporting, and the role played by the committee in the process. The committee also remains informed about Swedish Inspectorate of Auditors' quality control of the Issuer's external auditors and is responsible for the auditors' independence and impartiality and the selection procedure for auditor recommendation. The Risk and Audit Committee informs the full Board of Directors at each ordinary Board meeting about matters discussed and decisions made by the committee. The Risk and Audit Committee shall have at least three members.

The main task of the Board Investment Committee is to monitor the quality and valuation of Hoist Finance's portfolio investments, investment processes and portfolio valuations. The Board Investment Committee shall verify certain decisions made by the Management Investment Committee and the Revaluation Committee. All portfolio acquisition decisions must be made by Hoist Finance's Management Investment Committee, the Board Investment Committee, or the Board of Directors. Standard portfolio acquisitions for which no Swedish FSA approval is required and with a value up to EUR 50 million or certain complex and/or non-standardised transactions with a value up to EUR 25 million require approval by the Management Investment Committee. Standard transactions exceeding EUR 50 million and certain complex and/or non-standardised transactions exceeding EUR 25 million, require the approval of the Board Investment Committee. Standard transactions exceeding EUR 100 million and certain complex and/or non-standardised transactions exceeding EUR 75 million, require the approval of the Board of Directors. Further, all transactions that require an approval from the Swedish FSA will require either the approval of the Board Investment Committee or the Board of Directors, as determined in each specific case by the overall circumstances of the transaction (mainly depending on the value of the transaction, or if it is otherwise deemed to be complex and/or non-standardised).

The revaluation process for unsecured assets focusses on addressing significant performance outliers on a portfolio level. Portfolios are flagged if aggregate gross collection performance over a full nine-month period since acquisition or last revaluation is outside of a +/- 20 per cent. corridor or greater than SEK 10 million in absolute terms (and the absolute collection difference is at least SEK 1 million) or where less than nine months have passed since acquisition or last revaluation and the aggregate gross collection performance to date is outside of +/- 40 per cent. or greater than SEK 10 million in absolute terms (and the absolute collection difference is at least SEK 1 million). When a portfolio is flagged, a portfolio review is conducted and if deemed necessary, a proposal is made to adjust the valuation of that portfolio on Hoist Finance's balance sheet. Referral to the Board Investment Committee is required for all proposed impacts greater than SEK 20 million (on a portfolio level) and/or where the proposal entails adding more than SEK 10 million from years 4 to 15 on the collection curve. For secured assets, a similar process is in place with a focus on continuously ensuring the validity of the Group's portfolio valuations as well as preventing any build-up of future ERC risk. Similar thresholds have been established for the Board Investment Committee to review all decisions made by Management. In addition, changes in regulation, significant operational considerations, or significant changes in assumptions in the underlying investment case may lead to further portfolios qualifying for referral to the Board Investment Committee. The Board Investment Committee informs the full Board of Directors at each ordinary Board meeting about matters discussed and investment and revaluation decisions made by the Board Investment Committee. The Board Investment Committee shall have at least three members.

The Finance Committee assists the Board in its work related to finance matters and with the preparation of the Board's finance decisions. The Committee's duties include capital allocation, composition of the liability side of the balance sheet, regulatory capital optimisation as well as co-investments and other finance partnerships. The Investment Committee reports on its work to the Board at the first meeting following the meeting of the Committee. The Finance Committee consists of at least three members.

The Remuneration Committee's primary task is to prepare the Board of Directors' decisions on remuneration policies, remuneration and other terms of employment for Executive Management Team members and employees responsible for control functions. The committee monitors and evaluates ongoing variable remuneration programmes for the Executive Management Team and those completed during the year, as well as the application of the remuneration guidelines for senior executives resolved on by the general meeting and the Group's remuneration structure and remuneration levels. The Remuneration Committee informs the full Board of Directors at each ordinary Board meeting about matters discussed and prepared. The Remuneration Committee shall have at least two members.

The work of each committee is performed in accordance with written instructions and the rules of procedure for the Board of Directors stipulated by the Board of Directors. The work of the Risk and Audit Committee, Finance Committee, Remuneration Committee and partially the Investment Committee is preparatory in nature and does not constitute a delegation of the liability under Swedish law of the Board of Directors for these matters.

The Board of Directors of the Issuer has, in addition to the Board committees, implemented four other non-Board committees. The work of each committee is performed in accordance with written instructions stipulated by the Board of Directors. These committees are the Management Investment Committee, the Asset and Liability Committee, the Credit Committee and the Revaluation Committee and each of the committees have certain decision making powers. The Management Investment Committee is the body responsible for the Group's investment decisions, in accordance with the Group's investment instructions and pricing guidelines, and undertakes controls as to performance of the Group's portfolios. The Asset and Liability Committee decides upon the strategic planning of the company's balance sheet and the management of it, including the responsibilities for decision-making in relation to HoistSpar and Hoist Finance's German savings accounts product, and in relation to limits, interest rate and other terms for intra-group loans to wholly-owned subsidiaries. The Credit Committee is responsible for monitoring the performing loan book and has certain decision making power in relation to credit decisions. The Revaluation Committee is responsible for monitoring circumstances and for conducting recurring reviews of ERC as well as for considering and examining the impacts of and (subject to any required referral to the Board Investment Committee) deciding upon revaluations.

Executive Management Team

The Executive Management Team of the Group consists of a team of sixteen persons.

Harry Vranjes

Chief Executive Officer

Born 1970. Hoist Finance employee since 1 January 2023.

Principal education: Studied Computer Science and Business at Lund's University.

Christian Wallentin

Chief Financial Officer and Deputy Chief Executive Officer

Born 1975. Hoist Finance employee since 2021.

Principal education: MSc Economics and Business Administration, Stockholm School of Economics (Sweden) and CEMS Master International Management, ESADE.

Fabien Klecha

Chief Investment Officer

Born 1984. Hoist Finance employee since 2012.

Principal education: Bachelor Degree in Business Administration, Università Commerciale L. Bocconi (Italy) and Master Degree in Management, HEC Paris (France).

Jelle Dekkers

Chief Business Development Officer

Born 1981. Hoist Finance employee since 2017.

Principal education: Bachelor in Business Administration at Avans Hogeschool, s'-Hertogenbosch, The Netherlands.

Katarina Meyer

Chief People Officer

Born 1968. Hoist Finance employee since 2016.

Principal education: Studies in Communication and Media at an independent community college.

Sofia Buhlin

Interim Chief Communications Officer

Born 1984. Hoist Finance employee since 2023.

Principal education: MSc in Political Science from the Linnaeus University (Sweden).

Makram Chebli

Country Manager France

Born 1981. Hoist Finance employee since 2013.

Principal education: Bachelors in Economics, Université Saint Joseph (Lebanon) and Master Degree in Management, HEC Paris (France).

Sarah Salmona

Country Manager Greece

Born 1976. Hoist Finance employee since 2017.

Principal education: BSc Business Administration, Athens University of Economics and Business (Greece) and MSc Strategic Human Resources Management, ALBA Graduate Business School (Greece).

Christian Steinebach

Country Manager Germany

Born 1964. Hoist Finance employee since 2019.

Principal education: Master of Business Administration / Interpreter.

Andrea Giovanelli

Country Manager Italy

Born 1970. Hoist Finance employee since 2023.

Principal education: Graduation in Economy and Management, University of Turin (Italy), Chartered Accountant, University of Turin (Italy) and Diplome d'Etudes Approfondis in Financial Strategy, Ecole Superieure De Commerce De Lyon (France).

Miguel Sotomayor

Country Manager Spain

Born 1973. Hoist Finance employee since 2019.

Principal education: Industrial Engineering at Universidad Pontificia Comillas ICAI (Madrid, Spain) and MBA at Kellogg School of Business, Northwestern University (Evanston, IL).

Mateusz Poznanski

Country Manager Poland

Born 1972. Hoist Finance employee since 2020.

Principal education: BSc of Marketing and Management Economic School Poznan (Poland), MSc of Digital Management, Kozminski University Warsaw (Poland) and Management education, Economic University of Wroclaw (Poland)/INSEAD (France).

Johan Wigh

Chief General Counsel

Born 1975. Hoist Finance consultant since 2023.

Principal education: LLM, University of Uppsala. Studies in Finance, San Francisco State University, 1999-2000.

Cecilia Stråle

Chief Compliance Officer

Born 1977. Hoist Finance employee since 2020.

Principal education: Master of Laws, University of Uppsala.

Simona Sankauskaite

Chief Risk Officer

Born 1980. Hoist Finance employee since 2018.

Principal education: MSc Finance and Business administration, Stockholm University.

Mihails Mihailovs

Chief Operating Officer

Born 1982. Hoist Finance consultant since 2023.

Principal education: Bachelor and Master in Computer Science from Transport and Telecommunication Institute (TSI) in Riga, Latvia.

Conflicts of interest

No member of the Board of Directors or Executive Management Team has any private interest that might conflict with Hoist Finance's interests or those of the Issuer. However, several members of the Board of Directors and Executive Management Team have certain financial interests in Hoist Finance as a consequence of their holdings, direct or indirect, of shares in the Issuer. There are no family ties between members of the Board of Directors or the Executive Management Team.

Business address

The members of the Board of Directors, the members of the Executive Management Team and the members of the Group's management team may be contacted at the Issuer's address: Bryggargatan 4, SE-111 21 Stockholm, Sweden.

Auditors

The most recent auditor election was at the 2023 annual general meeting when Ernst & Young AB, with Daniel Eriksson (authorised public accountant and member of FAR, the Swedish Institute for Authorised and Approved Public Accountants) as auditor-in-charge, was elected for the period until the end of the 2024 annual general meeting. Ernst & Young AB, with Daniel Eriksson as auditor-in-charge, was the Issuer's auditor for the financial year 2022 as well as for 2021. Ernst & Young AB's office address is Hamngatan 26, 111 47 Stockholm, Sweden.

LEGAL AND SUPPLEMENTARY INFORMATION

Information about the Prospectus

This Prospectus has been approved by the Swedish FSA as competent authority under the Regulation (EU) 2017/1129 (Prospectus Regulation). The Swedish FSA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. The Swedish FSA's approval should not be considered as an endorsement of the Issuer that is the subject of this Prospectus, nor should it be considered as an endorsement of the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The validity of this Prospectus will expire no later than twelve months after the date of the approval of the Prospectus. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Authorisations and responsibility

The Issuer has obtained all necessary resolutions, authorisations and approvals required in conjunction with the Notes and the performance of its obligations relating thereto. The issuance of the Notes was authorised by a resolution of the Board of the Issuer on 3 May 2023.

The Issuer accepts responsibility for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Board of Directors of the Issuer is, to the extent provided by law, responsible for the information contained in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

Material agreements

The Issuer has not entered into any material agreements outside the ordinary course of its business which could result in it being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders.

Governmental, legal and arbitration proceedings

Neither the Issuer nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Prospectus which may have, or have in had in the recent past, significant effects on the Issuer's and/or the Group's financial condition or profitability.

Certain material interests

The Joint Bookrunners (and their closely related companies) have provided, and may in the future provide, certain investment banking and/or commercial banking and other services to the Issuer and the Group for which they have received, or will receive, remuneration. Accordingly, conflicts of interest may exist or may arise as a result of the Joint Bookrunners having previously engaged, or in the future engaging, in transactions with other parties, having multiple roles or carrying out other transactions for third parties.

Trend information

There has been no material adverse change in the prospects of the Issuer since 31 December 2022. Furthermore, there has been no significant change in the financial performance or financial position of the Issuer or the Group

since 31 March 2023, being the end of the last financial period for which financial information has been published to the date of this Prospectus.

Incorporation by reference

The following information has been incorporated into this Prospectus by reference and should be read as part of the Prospectus. Reference is made as follows:

Annual report for 2021	consolidated income statement (p. 101), consolidated statement of comprehensive income (p. 102), consolidated balance sheet (p. 103), consolidated statement of changes in equity (p. 104-105), consolidated cash flow statement (p. 105-106) parent company income statement (p. 108), parent company statement of comprehensive income (p. 108), parent company balance sheet (p. 109), parent company statement of changes in equity (p. 110-111), parent company cash flow statement (p. 112-113), notes (p. 114-206), auditor's report (p. 208-215) and definitions (p. 217-220).
Annual report for 2022	consolidated income statement (p. 59), consolidated statement of comprehensive income (p. 59), consolidated balance sheet (p. 60), consolidated statement of changes in equity (p. 61), condensed consolidated cash flow statement (p. 62) parent company condensed income statement (p. 63), parent company condensed statement of comprehensive income (p. 63), parent company condensed balance sheet (p. 64), parent company statement of changes in equity (p. 65), parent company cash flow statement (p. 66), notes (p. 67-131) and auditor's report (p. 154-158) and definitions (p. 160-161).
Interim report for January-March 2023	consolidated income statement (p. 10), condensed consolidated statement of comprehensive income (p. 11), consolidated balance sheet (p. 12), consolidated statement of changes in equity (p. 13) condensed consolidated cash flow statement (p. 14), parent company condensed income statement (p. 15) parent company condensed statement of comprehensive income (p. 15) and parent company condensed balance sheet (p. 16) notes (p. 17-27).

Information in the above documents which is not incorporated by reference is either deemed by the Issuer not to be relevant for investors in Notes or is covered elsewhere in the Prospectus.

The Issuer's annual reports have been prepared in accordance with IFRS as adopted by the European Union and in accordance with the Swedish Annual Report Act (*årsredovisningslag (1995:1554)*). With the exception of the annual reports for 2021 and 2022, no information in this Prospectus has been audited or reviewed by the Issuer's auditor.

Documents available

During the term of this Prospectus, the following documents are available at the Issuer's website (www.hoistfinance.com):

- the Issuer's articles of association;
- the Issuer's certificate of registration;
- the Issuer's annual reports; and
- the Terms and Conditions of the Notes.

ADDRESSES

The Issuer

Hoist Finance AB (publ)

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Visiting address
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www.hoistfinance.com

Joint Bookrunners

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Telephone: +46 8 407 98 50
www.nordea.se

Skandinaviska Enskilda Banken AB (publ)

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Legal Adviser to the Issuer

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The Agent

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Central Securities Depository

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Telephone: +46 8 402 90 00
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Auditor to the Issuer

Ernst& Young AB

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